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Cuba

Castro Stresses Adherence to Marxism-Leninism

AU0810104791 Vienna DER STANDARD in German 8 Oct 91 p 6

[Werner Stanzl report: "Retreat From the Revolution? No!"]

[Text] Regardless of the latest developments in the Soviet Union and in the other former allied states, Cuba will stick to its Marxist-Leninist course.

The leading role of the Communist Party of Cuba (PCC), which is anchored in the Constitution, remains untouched, but cooperation with investors from capitalist countries is striven for and promoted. This was stated by head of state Fidel Castro in the preparatory stage of the PCC congress, which will start in Santiago de Cuba on Thursday [10 October], in an interview with DER STANDARD.

The interview took place on the fringes of the official visit by Manuel Fraga, president of the autonomous region of Galicia (Spain). The graying 64-year-old veteran revolutionary obviously got on very well with Manuel Fraga, who is considered a rightist conservative in his homeland, and referred to his own personal relations with politicians of all camps.

"I am ready for cooperation with all those who respect our system and Cuba's sovereignty," Castro says. "In my work I meet with many capitalists. I appreciate their experiences, their talents, and their skills. We do not reject them; it was not us who imposed an embargo, but we are the victims of such a policy."

Castro justifies his sticking to the Marxist-Leninist course by pointing out that this is "progress toward a juster social system," but he admits that "the socialist world ... is in a crisis."

The changes in the Soviet Union and in Central and Eastern Europe "must" have a negative influence on Cuba's economic situation.

"We will still need some time to adjust to that, but we will find new trading partners and maintain old trading relations, even though on a smaller scale." The socialist social system is the basis of the fact that Cuba is politically by far the most stable country in Latin America.

Most neighboring states already appreciate this fact. "On 26 July 1963 we were excluded from the Organization of American States (OAS) at Washington's urging. Nevertheless, we have good diplomatic relations and lively trade with most member states."

Asked about human rights and whether party pluralism is conceivable in Cuba, Castro referred to the Cuban Constitution, which the people adopted with an overwhelming majority in a referendum in 1976.

In conclusion, the supreme leader stresses that he does not intend to retire. "Retreat from the revolution, from my ideas? No. I accept my responsibility. I feel I am its slave; this is part of my job."

Soviets To Honor Bilateral Treaty Until 27 Dec

AU0810105091 Vienna DER STANDARD in German 8 Oct 91 p 6

[Werner Stanzl report: "Facing the Economic Void"]

[Excerpt] [passage omitted] A spokesman of the Soviet Embassy in Havana told DER STANDARD that the Soviet Union will conscientiously fulfill the bilateral treaty with Cuba until it expires. It will buy sugar at the agreed price of 6,600 schillings per tonne, while the world market price is about 2,800 schillings, and will continue to sell oil to Cuba at half the world market price. "However, on 27 December it will be over. Of course, we will be pleased to conduct trade with Cuba afterwards, but at world market prices. And, in addition, the question of debts must be settled."

The spokesman pointed out that, apart from all trade privileges and price distortions, Cuba owes Moscow about 16.4 billion rubles (about 120 billion schillings at the official exchange rate).

Havana Reports Army Occupies Haitian Legislature

FL0810004291 Havana Radio Rebelde Network in Spanish 2358 GMT 7 Oct 91

[Text] Today, the Haitian National Assembly ordered the replacement of deposed President Jean-Bertrand Aristide with a supreme court justice.

The Haitian soldiers, who last week carried out the coup in that Caribbean country, today occupied the legislative building. They attacked the building with tanks and went in shooting. As of now, there have not been any reports of people injured or dead in the action, but cable agencies mention that the more than 150 soldiers who participated in the taking of the legislative building hit the legislators with the butts of their rifles.

After the attack the Haitian National Assembly decided to invoke Article 149 of their Constitution which prescribes that a justice from the supreme court replace President Jean-Bertrand Aristide.

Chileans Solicit UN Condemnation of Embargo

FL0710120591 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Oct 91

[Text] Chilean parliamentarians, party leaders, and social organizations have demanded that the United Nations condemn the U.S. economic embargo against Cuba. Jaime Reyes, president of the Cuban Friendship House, informed us of the declaration and that a similiar

request will be submitted to the world interparliamentary meeting which begins sessions today in Santiago, Chile.

Reyes announced that tomorrow a ceremony will be held in the southeast section of the Chilean capital demonstrating solidarity with Cuba and a demonstration has been organized for 11 October in front of the old national congress headquarters where visiting parliamentarians will be.

Commentator Views U.S. Military Exercises

PA0810025191 Havana Radio Havana Cuba in Spanish 1400 GMT 4 Oct 91

[Commentary by Roberto Morejon]

[Text] The U.S. Armed Forces periodically carry out military exercises in the United States, the North Atlantic, and the Caribbean. Traditionally, these exercises take place because certain governments, like the Cuban Government, are opposed to becoming tools of Washington's strategic interests.

Based on how world events have evolved—with the falling back of the revolutionary movement and the collapse of socialism in Europe—it could be assumed that the White House and the Pentagon have discarded all plans to carry out an impending military attack against the largest island of the Greater Antilles. This possibility cannot be completely discarded even if Washington, immersed in its over-confident attitude, is convinced that Cubans will eventually surrender in view of their growing commercial difficulties with the Soviet Union.

According to experts, because of their anti-Cuban obsession that is approaching the paranoia level, the U.S. authorities are considering adopting military actions if other kinds of pressure fail.

Cuban authorities carefully follow periodic U.S. military exercises. There is the case of the exercises that the 101st Paratroopers Division initiated on 26 September and that will last, according to Pentagon plans, until 16 October. The U.S. troops will participate for 30 days in exercises called [word indistinct] Eagle. These exercises are taking place in Fort Chafee, Arkansas. The exercises include mock reactions to a low-intensity conflict. According to plans, the low-intensity conflict will escalate into a medium-intensity conflict in a heavily forested area against an enemy using Soviet equipment and Soviet-style tactics.

In New York, during a speech at the current UN General Assembly session, Cuban Foreign Minister Isidoro Malmierca asked: Where, if not in Cuba, does the Pentagon foresee that such conditions will exist?

Cuba's precautions and its state of alert are based on facts and not on senseless premonitions.

Constitution References to Soviet Aid To Be Cut

PA0810032791 Hamburg DPA in Spanish 2245 GMT 7 Oct 91

[Text] Havana, 7 October (DPA)—According to diplomatic sources in Havana, Cuba is planning to eliminate from its national constitution all references to assistance received from the Soviet Union and Eastern European countries.

The decision will be made during the next Cuban Communist Party (PCC) Congress, which will be inaugurated on 10 October in the eastern city of Santiago. The congress will analyze all the possible modifications to the Magna Carta that are recommended to the national assembly (parliament).

Article 12 of the Cuban Constitution establishes that "It bases its relations with the Union of Soviet Socialist Republics and other socialist countries on socialist internationalism, common objectives for constructing a new society, fraternal friendship, cooperation, and mutual assistance."

When questioned about this issue, Deputy Foreign Minister Ramon Sanchez Parodi said he was not aware of any proposed resolution related to modifications of the Magna Carta to be discussed by the congress. He added however, that there is a possibility of a change. Minister Parodi pointed out to DPA that "reality has changed. Not only have countries changed, but their names have also changed."

FAR Delegate Sees Many Changes From Congress

FL0810020791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Oct 91

[Text] A large representation of FAR [Revolutionary Armed Forces] combatants will participate as delegates in the Fourth Communist Party of Cuba [PCC] Congress.

First Lieutenant Julio Perez Gamez will represent a large western Army tank unit in the party congress. He is only 25 years old and is already the battalion's second in command. His battalion has earned the FAR vanguard status on several occasions, in addition to other awards, medals, and recognitions due to his command and training accomplishments. Gamez believes that party work in the FAR and other sectors of society can be further improved, and to this effect, the congress should become a point of departure.

[Begin Gamez recording] Yes, that is what I expect from the congress, many changes. There are going to be changes in the life of the party, many changes in the country's economy and in popular government organizations. There are going to be profound discussions. It is a great honor that makes us redouble the commitment to all combatants of our unit and the FAR because we know that as the congress approaches, each day becomes more historic. [end recording]

Gamez said that the congress is also an important opportunity to learn from the experience of other militants with more years in the ranks of the organization, and that this experience will greatly benefit his future performance.

Dissident Voices Pessimism Over PCC Congress

PA0710161191 Madrid EFE in Spanish 1819 GMT 6 Oct 91

[Text] Havana, 6 Oct (EFE)—In recent statements to the foreign media, Elizardo Sanchez Santa Cruz, a well-known Cuban dissident, voiced his pessimism over the possibility that the upcoming Congress of the Communist Party of Cuba (PCC) will adopt any real changes for the country.

Sanchez, 47, a former professor of Marxism at the University of Havana and leader of the illegal Human Rights Commission of Cuba, has spent eight of the last 10 years in prison. He has been condemned twice for making statements to the international press considered contrary to the interests of the Cuban state.

According to this dissident, Cuban President Fidel Castro could avail himself of his leadership at the PCC Congress to "promote the introduction of deep democratic reforms, but he does not have the political will required to go beyond the formal changes."

The congress will begin on 10 October in the eastern city of Santiago de Cuba (900 km east of Havana). A total of 1,800 delegates will attend this convention called under the slogan of "Save the Fatherland, the Revolution, and Socialism."

According to Sanchez, "the congress will serve to stimulate communist fundamentalism" with its well-known slogans of "Socialism or Death" and "Option Zero" (resisting to death without any foreign resources). In the opinion of the Cuban dissident, this "suggests the government's decision of holding on to its Marxist model."

Sanchez, who claims to be a social democrat, feels that the Cuban people's discontent is increasing as "the economic situation quickly deteriorates due to the lack of food, health care, and education."

The Cuban leader considers that the majority of society "wants profound and urgent changes to preserve the achievements reached in the post-revolutionary period."

As for the government's reply to the calls for a dialogue made by the internal dissidents in Cuba, Sanchez Santa Cruz said "the number of police and parapolice forces are increasing."

Sanchez admitted that presently "our numerical force (of the organized dissidents) is very small," but he added that the "silent dissidence" of the majority of the people based on "double standards" and repression is greater.

Elizardo Sanchez concluded by saying: "The number of people in the internal opposition in Cuba is the same as academician Andrey Sakharov and a handful of his collaborators were in the USSR; and Vaclav Havel, current president of Czechoslovakia, and a few dozen activists."

Dissidents Issue Document on PCC Leadership

PA0710200591 Hamburg DPA in Spanish 1751 GMT 7 Oct 91

[Text] Havana, 7 Oct (DPA)—The self-styled Cuban Democratic Convergence [Concertacion Democratica Cubana—CDC], which includes eight dissident groups regarded as illegal by Fidel Castro's government, today asked the Communist Party of Cuba [PCC] to relinquish its leadership role in society and accept the formation of a provisional government, which would call for multiparty elections.

In a document addressed to the Fourth PCC Congress, scheduled to open in Santiago de Cuba on 10 October, the dissidents also requested "immediate general amnesty for all political prisoners" and the recognition of political organizations in exile.

The seven-point document was presented by the coalition leaders, including writer Maria Elena Cruz and human rights activist Elizardo Sanchez, two of the Cuba's most well-known dissidents, during a news conference in Havana today.

In its document, read by Cruz, the CDC pointed out: "Should the congress disregard the nature and purpose of this proposal, it would be overlooking one of the last opportunities to avoid economic collapse, social chaos, and bloodshed, the likes of which Cuba has never experienced in all its history."

The writer said that, in an operation which Cruz herself described as "unprecedented in the history of opposition in Cuba," coalition activists surreptitiously put a thousand copies of the document on the seats of the two trains that departed for Santiago today with the congress delegates.

The press conference was also attended by David Evans, the press chief of the office for U.S. interests in Havana, as a demonstration of "moral support" for the CDC, the writer said.

In the document, the CDC demanded that the Communist congress repeal Article 5 of the Constitution, which declares the PCC "a ruling force above society and the state, a force that organizes and directs the efforts of all to the lofty purposes of constructing socialism and moving the nation toward a Communist society."

The PCC Congress will study the possibility of making some changes in the Constitution "to perfect" the popular representative organizations, but without relinquishing the single party system or planned economy, according to official remarks by the organizing commission.

The coalition, which the government does not recognize, also demanded "a national meeting" with "the full representation of all Cuban political and social areas" to be attended by "observers of recognized prestige," a meeting which would guide the country to a "national reconciliation and gradual democratization."

The coalition proposes that this "meeting" prepare a political structure draft based on a multiparty system, call a constituent assembly, and form a "provisional council of the government," which would call for general and direct elections, in which votes would be cast in secret, for the country's executive and legislative positions.

Cruz, a leader of the "Alternative Criterion" group, said the coalition does not expect the Communist congress to make substantial changes in the current political and economic model but only "small-scale reforms."

She said that the coalition rejects violence as an acceptable method of action. It warned, however, that the present situation might lead the country to a dead-end. "We are sitting on a powder keg. Social expressions of unrest because of hunger and shortage might erupt any time," she said.

Roberto Luque, member of one of the coalition's member groups, demanded the cessation of foreign investment and "total commercial blockade" against the island. He added that investors "somehow will have to pay" for having saved the government. Cruz said, however, that the coalition does not share this view.

The document was also signed by Luis A. Pita of the Association for the Defense of Political Rights [Asociacion Defensora de los Derechos Politicos—ADEPO], Juan Betancourt of the Cuban Party for Human Rights, Jose Luis Pujol of the Opening of the Island Movement [Proyecto de Apertura de la Isla—PAIS], Yndamiro Restano of the Harmony Movement [Movimiento de Armonia], and Maria Celina Rodriguez of Liberty and Faith [Libertad y Fe].

* E. Sanchez on Dissident Groups, Party Congress

91CA0228A Madrid EL PAIS in Spanish 16 Sep 91 p 10

[Interview with human rights activist Elizardo Sanchez by F. Orgambides in Havana; date not given; first paragraph is EL PAIS introduction]

[Text] Havana. Sanchez Santa Cruz compares dissidence in Cuba with what Andrey Sakharov and his small group of colleagues did during the days of orthodox communism in the USSR. Working through the Cuban Human Rights Commission that he heads, he has just helped create the first opposition pluralistic political platform in the island. With the Spanish visa on his passport, he hopes the Cuban Government will give him permission to travel to Madrid, where he has been invited by the Human Rights Association headed by Enrique Gimbernat. According to Elizardo Sanchez, the opposition in Cuba has already gained a small space that the government cannot take away because it has proclaimed national reconciliation as its banner.

[Orgambides] The Cuban communist regime offers many surprises. Someone who today proclaims himself a dissident in the interior may tomorrow appear on television wearing the uniform of a colonel in the intelligence service.

[Sanchez] Well, that certainly can happen. But Cuba's internal dissidence is now fairly well defined.

[Orgambides] How do you explain the fact that in a country like Cuba, where any indication of protest is repressed, you were able to travel abroad and were later allowed to return to your country?

[Sanchez] That was a maneuver on the part of the Cuban Government trying to encourage me to desert. A government official told me that upon my return, after I had met with Senator Edward Kennedy and with Nobel Peace Prize winner Oscar Arias. The Cuban authorities did not think I would come back, and that is why they allowed me to leave.

[Orgambides] Then you are tolerated by the communists?

[Sanchez] Yes, of course. I spent eight and a half of the last 10 years in prison. They tolerated me in jail, always in dismal conditions. The reason why we can continue to work in the human rights movement is that there exists a small amount of space for us to act, and it is very hard for the government to explain to international public opinion why people who advocate national reconciliation are being persecuted.

[Orgambides] What does Elizardo Sanchez represent in the Cuban dissidence movement: a personal effort or a political movement?

[Sanchez] It is now publicly known that I am part of a historic postrevolutionary dissidence movement based on democratic socialism. This movement is quite similar to the movements that used to exist in East Europe. Sometimes I am asked how many of us there are. I answer that we have the same numbers as Sakharov and his colleagues. That is, four or five people with another four or five people who work with us.

[Orgambides] It is said that Fidel Castro would win by a landslide if free elections were held in Cuba.

[Sanchez] I think just the opposite is true. But if people emphasize that, maybe President Fidel Castro would be encouraged to allow free elections. I think that he and the group he represents would not be able to survive democratic elections.

[Orgambides] You, along with other dissidents, have just set up the Cuban Democratic Convergence [Concertacion Democratica Cubana]. What are its objectives?

[Sanchez] This is a civic pact through which we are trying to fulfill aspirations of peace, national reconciliation and full democracy for all the people of Cuba. In this coordinating group I represent one segment of opinion. I did help get it started, but the group's unsung hero is Jose Luis Pujol, the representative of the Opening of the Island Movement [Proyecto de Apertura de la Isla—PAIS].

[Orgambides] Are you against the U.S. embargo of Cuba?

[Sanchez] I generally oppose embargos. I opposed the blockade of Iraq because of its impact on the most vulnerable groups of people. In Cuba's case, there is no blockade, but a trade embargo. There is no way I can influence this, as these are government decisions, but personally I think embargos and blockades, like any measure that backs a government into a corner, are not very helpful in leading to negotiated and nonviolent political solutions.

[Orgambides] What do you think of the Castro government's policy toward other countries concerning mixed investments?

[Sanchez] I support the concept of liberty in its broadest sense: political liberty and economic liberty. If those companies are established on the basis of a two-party agreement, if I opposed that, I would be challenging the freedom of businessmen in other countries to reach economic agreements with whomever they would like.

[Orgambides] The Fourth Congress of the Cuban Communist Party is being held in October. Do you think there might be a platform that could lead to reforms in Cuba?

[Sanchez] Everybody wants that, and so do I. But so far I do not expect anything substantive to come out of that congress. That is unfortunate, for it would be a good opportunity to bring about changes that are necessary and inevitable in our country. The system continues to display a total disinclination to recognize and adopt any changes.

Haiti

Continued Reportage on Events After Coup

Army Denies Cedras Arrest

FL0810164591 Port-au-Prince Radio Nationale in Creole 1140 GMT 8 Oct 91

[Text] The Haitian Armed Forces reports that rumors of General Cedras' arrest circulated yesterday afternoon in town. The Army denies these rumors and would like to take this opportunity to advise that a number of still unarmed members [as heard] of the Presidential Security Service [SSP], riding in a Lada car without plates, caused panic in the country. They had planned to threaten the lives of several Parliament members. As soon as the Army heard about that, soldiers were sent to the Parliament in order to ensure the parliamentarians' security. The Army urges the people to help it in its efforts to stand in the way of these men who are terrorizing people in the country, that is the still armed SSP members.

New U.S. Position on Aristide Reported

FL0810173891 Port-au-Prince Radio Nationale in Creole 1135 GMT 8 Oct 91

[Text] We remind our listeners that the Americans have said that they stand aloof from Aristide. This means they no longer support him because they have finally realized what kind of person he is. According to what the Americans say, he was burning people and was preaching violence. They have therefore decided to distance themselves from him. They have also realized that, besides the soldiers, many other people and many civilian sectors had problems with him. So, he had enemies not only within the Army but also among the civilians.

Anyway, the Americans say that they have distanced themselves from Aristide. The marriage between them and Aristide in relation to his return to Haiti does not exist any longer. In short, the Americans say they will not cooperate anymore with Aristide because they have discovered his real image.

Soldiers Order OAS Out of Country

FL0810115991 Bonaire Trans World Radio in English 1130 GMT 8 Oct 91

[Text] As armed troops surrounded the Haitian Parliament yesterday, lawmakers signed documents naming President Jean-Bertrand Aristide's replacement. He is veteran Judge Joseph Nerette. Heavy shooting was reported in the Haitian capital, Port-au-Prince, after his appointment and things are still described as critically tense.

Soldiers backing the coup in Haiti ordered the negotiating team from the Organization of American States out of the country yesterday. Armed troops stormed into the area where the OAS delegation was trying to convince coup leaders to allow President Aristide to return. Late

reports say supporters of President Aristide were barred from leaving the country. One of them, the mayor of Port-au-Prince was beaten while waiting to fly to Venezuela. He is now being held under arrest.

At the moment Mr. Aristide is in Jamaica where he held talks with Prime Minister Michael Manley yesterday. He flew to Kingston from Caracas to discuss obtaining support from the Caricom [Caribbean Community] countries. Argentine foreign minister Guido Di Tella says he favors armed intervention by the OAS to restore democratic rule in Haiti. This situation he says is like the Caribbean's own version of the Persian Gulf crisis. Trinidadian External Affairs Minister Sahadeo Basdeo is in Washington attending meetings there regarding the Haitian situation.

Soldiers Force Presidential Appointment

FL0810012391 London BBC World Service in English 0100 GMT 8 Oct 91

[Text] Rebel soldiers in Haiti have stormed the National Assembly Building in the capital Port-au-Prince as deputies were discussing whether to endorse the ousting of President Jean-Bertrand Aristide in last week's military coup. About 50 soldiers, supported by a tank, burst into the building and forced deputies to invoke a constitutional clause appointing a Supreme Court judge as provisional president.

At the same time, at the international airport heavily armed soldiers arrested the mayor of Port-au-Prince, Mr. Evans Paul, who was among military and political leaders meeting a 30-strong delegation from the Organization of American States. A BBC correspondent in Port-au-Prince says the rebels' action came as the leaders of last week's coup appeared to be on the verge of an agreement with the OAS delegation to allow Father Aristide to return. The delegation left later for Washington to reconvene an emergency session of the Organization.

Gunfire is still being heard in Port-au-Prince and a dusk-to-dawn curfew is still in force.

Mayor Reportedly Not Arrested

PA0810012891 Paris AFP in Spanish 0103 GMT 8 Oct 91

[Text] Port-au-Prince, 7 Oct (AFP)—Port-au-Prince Mayor Evans Paul was attacked on 7 October by a group of soldiers at the capital's airport, but he has not been arrested, an eyewitness has reported.

The source said that an Army officer was able to protect him from the rage of his aggressors.

Evans, along with four other Haitian leaders, was waiting at the airport for an airplane chartered by Venezuelan President Carlos Andres Perez to take him to Caracas to meet with ousted President Jean-Bertrand Aristide.

The delegation was unable to travel to Caracas and remains stranded at the airport because of the irate soldiers.

Preval Out, Interim President Named

FL0810131391 Port-au-Prince RTNH Television in French 2308 GMT 7 Oct 91

[Resolution by the Haitian Parliament at the Legislative Palace in Port-au-Prince read live by Senator (Bon Louis)]

[Text] Liberty, Equality, Fraternity: Republic of Haiti, Senate of the Republic. The National Assembly of the Republic of Haiti:

Considering the provisions of Article 1 of the Constitution on the sovereignty and independence of Haiti;

Considering Articles 19, 58b, 59.1, 88, 94, 95.1, 98, 101, 102, 116, 117, 118, 125, 129.2, 139, 149, 156, 158, and 159 of the Constitution;

Considering the minutes of the Senate on the creation of a crisis committee within Parliament charged with drafting most urgently proposals most likely to restore the constitutional order to the Haitian society following the military coup that resulted in the overthrow of the regime and departure abroad of the president of the Republic, citizen Jean-Bertrand Aristide;

Considering that the Chamber of Deputies and the Senate of the Republic as two democratically elected bodies and custodians of part of the national sovereignty, bound by the moral and patriotic obligation to safeguard the supreme interest of the nation to ensure the protection of lives and property by promptly seeking an appropriate solution to the terrible institutional crisis caused by the overthrow of the president of the Republic, have deemed themselves duty bound to convene as a priority matter the Supreme General Staff of the Haitian Armed Forces;

Considering that from the declaration of the commander in chief of the Haitian Armed Forces on the motivation of the military coup it emerged that the Supreme General Staff, through its spokesman, claims that its true intention was to put an end to the nascent dictatorship as evidenced by the latest charges leveled against the president of the Republic by the commander in chief, both in his message and before the Parliamentary Crisis Committee to which he said the Army did in no way intend to take power;

Considering that the Senate most alarmed at and concerned over the serious crisis promptly invited the prime minister, who is entitled by the Constitution to convene an emergency session of the Parliament;

Considering that despite the repeated, urgent appeals made by the National Assembly, citizen Rene Preval did not appear before the Senate;

Considering the prime minister's latest letter, dated 5 October 1991, in which he affirms that he could not actually honor the Senate's invitation on security grounds, and since no one is bound to do the impossible;

Considering that on Saturday, 5 October 1991, Mr. Preval, however, chose to honor another invitation which he probably deemed more urgent and more beneficial for the resolution of the serious problem confronting the whole nation;

Considering that after waiting for 168 hours, attempts to find solutions outside consultations with democratically elected institutions have not yet produced a satisfactory result for the nation;

Considering that far from facilitating the settlement of the crisis, the prime minister's behavior has rather compounded and added another dimension to the crisis, which threatens the prestige of the institutions and national independence and sovereignty;

Considering that on the basis of the aforementioned, there is a need to record the prime minister's failure and to grant his argument that he cannot personally adequately carry out his constitutional functions as head of the government;

Considering, therefore, that:

1. In view of this grave crisis which the country has been experiencing for over eight days and which cannot be allowed to last any longer, it is important that the Senate and the Chamber of Deputies, as custodians of part of the national sovereignty, assume their patriotic and moral responsibility before history in order to save the nation from the crisis in which it has been for one week and in which it risks entrapment;

2. In this regard it was imperative and most urgent for the Chamber and the Senate to meet promptly as they are entitled to do under the Constitution, in view of the grave crisis affecting the nation, and declare the following:

Article 1: Citizen Rene Preval, who has declared his inability to cope with the present crisis, is hereby deprived of Parliament's confidence. He is therefore relieved of his functions as prime minister.

Article 2: The Senate of the Republic, in compliance with Article 149 of the Constitution is hereby mandated by the present assembly to set in motion the procedure leading to the designation and inauguration as soon as possible of the doyen of the Court of Cassation as the interim president of the Republic.

Article 3: The present decision will be printed, published, and executed.

Drawn at the National Assembly in Port-au-Prince on 7 October 1991 in this 87th year of independence. Long live the independence and sovereignty of the land of our ancestors! Long live the independence of democratic institutions!

[Port-au-Prince RTHN Television in French adds in captions shown during the reading of this resolution the following: "For your information, we report that the dean of the Court of Cassation is Mr. Joseph Nerette."]

More on Election

PA0810005691 Madrid EFE in Spanish 0017 GMT 8 Oct 91

[Text] Port-au-Prince, 7 Oct (EFE)—Official television has announced that on 7 October, the Haitian Senate elected Supreme Court Judge Joseph Nerette the new provisional president to replace Jean-Bertrand Aristide, who was ousted by a military coup last week.

"The Senate, alarmed by the seriousness of the situation which cannot continue, must fill the power vacuum," Robert Monde, president of the chamber, stated before the television cameras. The legislative building is surrounded by tanks.

A communique read on television at approximately 1800 (2200 GMT) indicated that the deputies and senators meeting today in Port-au- Prince "decided to vote for the strict application of Article 149 of the Constitution."

This article, which has been invoked by the coupist officers to justify the appointment of a new president, establishes that a member of the Supreme Court will provisionally occupy the office of chief of state if it becomes "vacant."

Nerette was elected after a detachment of approximately 150 soldiers opened fire on the Legislative Palace.

From inside the legislative building, an individual, who only identified himself as a legislator, said over the telephone that "the soldiers have laid siege to the palace" with the support of tanks and machine guns.

No one was wounded by the gunfire, the individual, who refused to give his name, stated.

Prior to this, nearly 100 soldiers entered the waiting room at the Port-au-Prince International Airport while the OAS foreign ministers were meeting with a group of Haitian leaders. The meeting resumed after the soldiers withdrew.

Representatives of the Army, which under the command of Armed Forces Commander General Raoul Cedras overthrew the constitutional president on 30 September, stressed that there is "nothing" to discuss with regard to Aristide's possible return to the country, as the international community is demanding.

Aristide is now in exile in Venezuela after traveling to the United States last week to speak to the UN Security Council and the OAS.

Nerette Officially Appointed

FL0810172791 Port-au-Prince Radio Nationale in French 1656 GMT 7 Oct 91

["Press release" issued by the Haitian Senate in Port-au-Prince on 8 October]

[Text] The Senate of the Republic informs that following the resolution adopted by an overwhelming majority of the members present and endorsed today, 8 October, by other parliamentarians absent in the previous session, and in compliance with Article 149 of the Constitution, the provisional presidency will be entrusted to the senior justice of the Court of Cassation, namely Mr. Joseph Nerette. The new president will be sworn in this afternoon at 1500 [1900 GMT] at the Legislative Palace.

Port-au-Prince, 8 October 1991
Cadet, first secretary

Army Calls for Business as Usual

FL0710205291 Port-au-Prince Television Nationale d'Haiti in French 1944 GMT 7 Oct 91

[Press release issued by the Haitian Armed Forces Supreme Headquarters in Port-au-Prince on 7 October—live or recorded]

[Text] The Supreme Headquarters of the Haitian Armed Forces has noted that the population has reacted positively to calls for resumption of normal business in the capital and in the provinces, again emphasizing its determination to ensure protection of persons and property, and to work toward the establishment of a climate conducive to social peace.

The Supreme headquarters of the Haitian Armed Forces calls on the people to provide patriotic assistance to the Army in its efforts to safeguard the country's institutions. The Haitian Armed Forces, united with their commander in chief, Brigadier General Raoul Cedras, reaffirm their commitment to oppose all forms of dictatorship.

Aristide Leaves for Jamaica

PA0710185191 Hamburg DPA in Spanish 1838 GMT 7 Oct 91

[Text] Caracas, 7 Oct (DPA)—Haiti's deposed president Jean-Bertrand Aristide continued today his political efforts for a return to power following the military coup that overthrew him 10 days ago. He then left for Jamaica for a meeting with Jamaican Prime Minister Michael Manley and representatives of the Caribbean Common Market.

Beatricia Rangel, minister of the Secretariat of the Presidency, has reported that Aristide and President Carlos Andres Perez discussed the viability of the Haitian chief of state returning to Port-au-Prince soon.

Aristide, who met with Perez for more than three hours, was rescued last week from Haiti by a Venezuelan Air Force plane that took him to Caracas, where he was met with presidential honors. He then traveled to Washington for a special OAS foreign ministers meeting. Later, he urged the UN General Assembly to support his effort to return to his Caribbean republic.

This morning, Aristide and Perez met again behind closed doors at the Miraflores Presidential Palace. Afterwards, the Haitian politician left the building without making any statement.

On 7 October, a Latin American mission of eight foreign ministers traveled again to Haiti to renew efforts to reinstall Aristide as the head of the government, following the coup carried out by General Raoul Cedras.

After the visit by the OAS delegation to Port-au-Prince, Cedras said that Aristide could return to power if there is consensus on this in Haiti.

Aristide, Manley Hold Talks

FL0810160491 Bridgetown CANA in English 1529 GMT 8 Oct 91

[Text] Kingston, Jamaica, Oct 8, CANA—Deposed Haitian President Jean-Bertrand Aristide held talks Monday night with Jamaica's Prime Minister Michael Manley in an apparent bid to enlist the support of the 13-nation Caribbean Community (Caricom) for his return to power. Aristide arrived here from Venezuela and went into the talks with Prime Minister Manley, accompanied by a small group of Haitian and Venezuelan officials. Details on the outcome of the talks were not available.

Aristide, a former Roman Catholic priest, was toppled by the Army on September 30 after eight months in office. The Organization of American States (OAS) is spearheading diplomatic efforts to have him reinstated.

Meanwhile, Caricom foreign ministers, following a meeting in New York on Monday, issued a statement calling for "the immediate restoration of the duly constituted government of Haiti under President Jean-Bertrand Aristide." The ministers expressed their full support for the OAS initiative and hoped it would receive the backing of the United Nations.

Army Received Millions From Corruption

PA0810150891 Mexico City NOTIMEX in Spanish 1020 GMT 8 Oct 91

[Text] Mexico City, 8 Oct (NOTIMEX)—Pierre Lelong, Haitian ambassador to Mexico, reported to NOTIMEX that shortly before the coup d'etat in his country, the Haitian Army received between $8 million and $40 million from smuggling, corruption, and drug trafficking.

Lelong said that the Armed Forces are of the old order in Haiti and that they "have been linked to smuggling and drug trafficking for a long time."

He also said that senior Haitian Army officers and Tonton Macoutes leaders sought refuge in the Dominican Republic and, due to their established cooperation with Dominican Army officers, succeeded in penetrating the Dominican Army.

According to the diplomat, the presence of 500 U.S. soldiers at the U.S. base in Guantanamo indicated the probability of a military intervention in Haiti. "This probability, however, has been reduced," he said.

Lelong said he does not think there could be a negotiation between the deposed president Jean-Bertrand Aristide and the coupist General Raoul Cedras. "The only thing that can be expected and accepted is President Aristide's reinstatement to power."

According to the diplomat, Aristide's large-scale reforms for strengthening the economy and removing the old order in Haiti was what led the military to overthrow him.

Foreign Criticism of Aristide Reported

FL0710193791 Port-au-Prince Radio Nationale in Creole 1605 GMT 7 Oct 91

[Text] Virtually all foreign newspapers have strongly criticized the former president. On the basis of what they have seen in video cassettes, they have finally had an idea of what kind of person Aristide is. These newspapers have reported Aristide's references to necklacing, especially the way he praised this method, and the way he described its effectiveness. One will recall the speeches in which he lauded the merits of necklacing and encouraged the masses to continue to burn people.

These newspapers have also reported several violations of the Constitution and referred to the creation by Aristide of a militia, the President's Security Service, known as the SSP. They also mention the Aristide practice of using pressure against everybody and against all the institutions.

Cuban Envoy Rejects Multinational Force in Haiti

PA0410171891 Mexico City NOTIMEX in Spanish 0950 GMT 4 Oct 91

[Text] Mexico City, 4 Oct (NOTIMEX)—Cuban Ambassador Jose Fernandez de Cossio said here today that under no circumstances should a multinational force intervene in Haiti.

He stated that the OAS decision to reject the use of force in order to resolve domestic problems in a country is correct and in line with the law.

He said that the acceptance of the use of military force in Haiti would have set a dangerous precedent, because it would mean the implementation of an instrument of intervention against any country, thus endangering the sovereignty of Latin American nations.

The OAS decided to send a high level mission to urge the return to power of President Jean-Bertrand Aristide, who was overthrown on 30 September.

The 34 OAS member countries agreed to establish the total boycott and isolation of the military junta. They condemned the events that have occurred in Haiti since the coup d'etat.

The Cuban ambassador reiterated that his country rejects the coup d'etat because it interrupts the democratic process that permitted the Haitians to elect their president for the first time.

He added that the Cuban Government demands that a state of law be reestablished in Haiti as soon as possible.

EEC Cooperation Agreement Effective 1 Oct

PA0610035391 Mexico City NOTIMEX in Spanish 2245 GMT 1 Oct 91

[Text] Mexico City, 1 Oct (NOTIMEX)—The cooperation agreement signed between Mexico and the European Economic Community (EEC) on 26 April in Luxembourg has entered into effect, Erwan Fouere, EEC representative accredited here, has reported.

Fouere told NOTIMEX the agreement was signed by Mexican Foreign Secretary Fernando Solana in April during a European tour, the goal of which was to make headway regarding public and private financial cooperation.

The agreement covers programs in the economy, trade, tourism, and scientific-technical fields, and training in the fishing sector. Mexico is the first Latin American nation with which the EEC has implemented this type of negotiation.

The EEC granted Mexico $1 million for the tourist program "Maya World," in the trade sector it offered a $3 million investment, and earmarked $10 million in the scientific field, Fouere stated.

* Role of Salinas in Aguirre Resignation Claimed

91CA0225A Mexico City PROCESO in Spanish No 774, 2 Sep 91 pp 6-11

[Article by Francisco Ortiz Pinchetti: "Salinas, in Private Meeting With Gutierrez Barrios and Colosio, Decided Aguirre's Fall"]

[Text] Guanajuato—Ramon Aguirre Velazquez has met with a sad fate: just when he was on the point of seeing the greatest dream of his life—being governor of Guanajuato—come true, his longings were struck by lightning.

The same hand that overruled the will of the Guanajuato PRI [Institutional Revolutionary Party] and made him a candidate—the same hand that urged him on and supported him during his campaign—is making him resign now that he has been elected governor.

God has given, and God has taken away.

"I have decided not to take the oath of office as constitutional governor of the state," he said with a pale face during his emotional and dramatic announcement just minutes after being declared legally elected with a margin of more than 200,000 votes over his opponent, Vicente Fox Quesada of the PAN [National Action Party].

His victory had been challenged by the opposition due to the countless irregularities recorded during the elections last 18 August. The PAN alone filed over 1,000 protests and complaints, while Fox Quesada led massive rallies in various towns around the state to claim victory—with the backing of the PRD [Party of the Democratic Revolution], the PDM [Mexican Democratic Party], and the PRT [Revolutionary Workers Party].

"We will not allow Ramon to sit in that chair," the PAN candidate warned many times before the enthusiastic crowd.

The PAN's national leadership declared:

"National Action is staking everything on Guanajuato."

But the government ignored the protests, threw out the evidence of "gigantic electoral fraud," according to the opposition, and put forward its own candidate, first in the State Electoral Court (TEE) and then in the Electoral College.

But the PRI candidate's fate had been decided at least five hours before he was declared governor-elect.

Around 1600 on that Thursday 29 August, President Carlos Salinas de Gortari had met at Los Pinos with his interior secretary, Fernando Gutierrez Barrios, and the national leader of the PRI, Luis Donaldo Colosio Murrieta. There the Guanajuato case was "resolved," with consequences that may have remarkable repercussions at top levels of the government party over the next few days.

For obvious reasons, the decision by the former mayor of the Federal District not to assume the governorship of his state on 26 September became known in the country's capital before it was learned of here. Channel 13 of the government television network Imevision [Mexican Television Institute] reported the event on its nightly newscast at 2118. Its report included passages from the text that Aguirre Velazquez would personally make public nearly two hours later.

The fact is that in order to announce his resignation as governor-elect, he had to wait until the Electoral College had actually declared him the governor-elect and notified him of that fact. That happened at around 2245. Fifteen minutes later, he faced the reporters in order to read his text, the contents of which were already on the front pages of the daily newspapers.

The confusion surrounding his election victory was equaled by that surrounding his unusual resignation, which he himself described as "the most difficult decision of my life"—although in making it, he had received an undoubtedly essential little push.

Protest and Consensus

Whether it was the result of growing mobilization by the people, political consensus at the highest level, or pressure from the international press—or all those things combined—Aguirre Velazquez' withdrawal has made Vicente Fox Quesada the big winner in Guanajuato.

Although the election results have not been corrected in his favor, the PAN candidate says that the resignation by the government's candidate opens up "spaces and opportunities for a transition to full democracy in Guanajuato in the very near future."

According to the state's Constitution, if the governor-elect does not present himself to take office—as will happen in Aguirre's case—the state congress will appoint an acting governor pending the holding of special elections. There is a gap in the law here: it does not set a deadline for holding those elections.

The government and the PAN reached a harmonious agreement that PAN member Carlos Medina Plascencia, currently mayor of Leon, would be appointed acting governor. That was the recommendation in the relevant report prepared by the joint committees on internal affairs and constitutional issues on the morning of Friday the 30th, but a violent invasion by over 100 protesting PRI members just when the report was about to be submitted to a vote caused that second part of the arrangement to be postponed. The session was suspended, and by midnight on that date, it had not resumed.

According to the PAN's people, placing the governorship temporarily in Medina Plascencia's hands guarantees that the special elections will be fair and clean, and in their opinion that will be a sure path to victory for Fox Quesada.

But the protesting PRI members, headed by the candidates elected state congressmen under the PRI banner, feel that the intention to appoint the PAN mayor of Leon constitutes an "assault" on the Constitution. They argue that appointing an acting governor is the responsibility of the new legislature, whose members will take their seats this coming 15 September.

According to PRD congressman Carlos Navarrete, a former candidate for senator, Medina Plascencia's appointment shows that there has been "a deal at the top," which in his opinion is unacceptable.

Beginning on Friday itself, the PAN, which had noisily celebrated the fall of Ramon Aguirre, made the Leon mayor's appointment as acting governor one of its main objectives. "Only in that way," said Fox Quesada, "will we be able to participate in new elections in which there will be no dirty tricks."

Preparations are also already under way to "capture the municipal governments throughout the state" in the municipal elections scheduled for this coming 1 December.

In its mobilizations for post-electoral protest, the PAN has met with an unquestionably favorable response from the people. Fox Quesada headed a march of more than 50 km from Leon to Guanajuato that ended in a rally of thousands of people in Cata Square in the state's capital, where the State Electoral Court is located.

He continued with very well-attended rallies in Leon, Salamanca, Irapuato, and San Francisco del Rincon on successive days.

In their speeches, PAN leaders were careful not to implicate the president of the republic in the election fraud they were denouncing. Luis H. Alvarez, national leader of the PAN, said: "We place the blame directly on Rafael Corrales Ayala's state administration."

But they were forthright in saying, as Diego Fernandez de Ceballos did on behalf of the PAN's CEN [National Executive Committee] at the rally in Leon on Tuesday the 27th, that their party was determined to "stake everything on Guanajuato" and that the outcome of the election process in that state might determine the PAN's future relations with the Federal Government.

They repeatedly announced that there would be acts of civil disobedience in the "near future," but none had occurred as of last Friday. The protest has been limited to peaceful rallies and other demonstrations that have not even come close to civil disobedience.

The government's response to PAN activism seemed to be one of complete scorn. As had been true with the district counts, the TEE's rulings changed almost nothing about the election results despite the abundance of charges and appeals filed by the opposition. Only 30 of the over 700 polling stations that were challenged had their ballots canceled. In practice, the protests were rejected as "unfounded" by the TEE magistrates.

Some 300 PAN members stood guard outside the TEE building on the night of Wednesday the 28th while that court was holding its plenary session. Pure rage overtook them when, at about 0300 on Thursday, the full court adjourned without changing the official results. That seemed to be the final blow, barring only the parody represented by the Electoral College.

No one doubted any longer that the decision to impose Ramon Aguirre as governor was final.

That was why the surprise caused an earthquake.

Ramon's Farewell

The rumor spread quickly through the colonial alleys of Guanajuato, but it did not convince anyone.

On that morning, only seven hours after the ruling by the TEE, the state congress had constituted itself into an electoral college to certify the gubernatorial election. The intention, clearly, was to set in motion a steamroller that would confirm Aguirre Velezquez as governor-elect once and for all and thus discourage the PAN's protest.

Unexpectedly, however, the college called a lengthy recess beginning at noon. Those hours of uncertainty gave rise to conjecture. That evening, 1800 and then 1900 came and went, and still the session had not resumed.

That was when the rumor started its rounds. The news arrived from the Federal District: Ramon Aguirre was going to resign—he was leaving.

At 2000, Vicente Fox Quesada was presiding over a rally in San Francisco del Rincon. Someone entered the pavilion to tell him the story. The PAN leaders crowded around to listen. But they did not believe it either.

Perhaps encouraged by the possibility, Fox Quesada repeated vehemently in his speech that "under no circumstances will we allow Ramon to sit in the governor's chair."

Shortly after 2100 that evening, the government television station made the news official.

In the offices of the PRI State Executive Committee [CDE] in the capital of Guanajuato, faces began to reflect the tragedy. The PRI people, some sorry, others incredulous, and everyone else disconcerted, greeted each other and embraced silently while 30 or so reporters and photographers waited for the announced press conference by Ramon Aguirre.

When Aguirre Velazquez' decision became known in the Electoral College, rumor was replaced by uproar. It was 2200 before the session for certifying the election—it included an extremely sharp debate between PRI and PAN congressmen—ended; the PRI candidate had been designated governor-elect.

Fox Quesada and 100 or so PAN members, attracted by the rumor, traveled from San Francisco del Rincon to the state capital, where they arrived just as a committee from the state congress was entering the offices of the PRI's State Executive Committee to inform Aguirre of his certification. They had barely left when the news was confirmed from the mouth of Aguirre himself.

"The majority vote favored my candidacy," Aguirre Velazquez read amid the flashes from photographers' cameras. He was serious, and his face was stiff. "There was a large vote. My victory was recognized by the majority of Guanajuato's people and finally established by the electoral authorities."

On his left was the state PRI leader, Luis Ferro de la Sota, who could not hold back the tears. To the right of the governor-elect was the regional coordinator of the PRI's CEN, Rafael Oceguera, his face contorted. He kept his eyes glued to the green cloth covering the table.

The final moment arrived:

"I have brought you here," Aguirre told the reporters without altering his brusque tone of voice, "to announce to you that I have decided not to take the oath of office as constitutional governor of the State of Guanajuato."

He then explained that "I have made this decision on my own, fully convinced that it is what I must to do to preserve concord and peace in Guanajuato."

Before that, he had said that in the days following the elections, he had noticed that disagreement between the contending political forces had grown deeper. "Provocation and irresponsibility have caused the political climate to grow tense."

The former mayor made one statement that betrayed the real source of his decision. "I reiterate my unshakable loyalty to the president of the republic," he said.

He then attacked his opponents: Fox for attempting, "by means of blackmail and violence," to seize control of the government, and PRD member Porfirio Munoz Ledo for "sowing distrust and terror in this campaign and basing his participation only on a search for personal political advantage." He called on both to change their attitude. "Instead of a democratic spirit, all they have is an ambition for power," he said in conclusion.

No questions were permitted. After reading his five-page text, Aguirre stood up and, followed by Ferro de la Sota, Oceguera, and other close collaborators, disappeared from the Guanajuato scene. It has been learned that he returned to Mexico City that same night by car.

While he was leaving, the PAN was beginning its celebration. A group around Vicente Fox at the Union Garden in this capital broke into cheers and hurrahs that were repeated for several hours at various parties around the city. In Leon, the honking of horns by drivers and the coming and going of PAN members in open trucks, their flags flying, continued into the early morning hours.

Celebration and Mourning

The real celebration occurred on Friday the 30th in Leon's main square, which was once again overflowing with people. It was called a "victory rally" by the PAN. And that was how it was celebrated by the over 20,000 participants, who were asked to hand over their banners mounted on wooden poles "so they can't say later that we were armed."

Contrary to his custom, this time Fox Quesada arrived nearly 30 minutes late, and that only increased the real delirium with which he was greeted by his supporters.

With Ramon gone, everyone had given up shouting "We don't want Ramon." Instead, there were deafening choruses of "Vicente, Vicente, Vicente."

"This," said the former PAN candidate for governor at the start of his speech, "is a historic victory for the people of Guanajuato." He then ventured a guess that Aguirre had "resigned because of his pangs of conscience over so many dirty tricks in the elections."

Although Carlos Medina Plascencia's appointment as acting governor effective this coming 26 September was not yet official, Fox Quesada proclaimed that "only with Medina is there a guarantee of honesty and a commitment to call new elections and ensure procedures that are transparent, fair, and just to all the parties."

As a consequence, he announced that the immediate task of PAN members would be to ensure the mayor of Leon's appointment and, in the state and federal electoral colleges, "to rescue the real victories by our candidates."

Confirmation of Medina Plascencia's appointment was postponed when angry PRI supporters "invaded" the Legislative Palace at around 1300 on Friday, just as the report in question was being read by Congressman Jose Antonio Ramirez prior to its being put to a vote.

As they made their disorderly entry into the legislative chamber to the accompaniment of shouts and insults, the PRI members even broke windows and destroyed a glass lamp. They would not allow the session to continue.

Their action was headed by the winning PRI candidates for state congressman, who on that same morning had met at the Hotel Posada San Javier to lay out their strategy and prevent the appointment of an acting governor from the start.

With the legislative chamber having been literally taken over by the PRI's militant belligerents, state leader Ferro de la Sota arrived. He tried to calm them down. He called on them to leave the building and go to party headquarters, "so we can get organized there." They paid no attention. They stayed where they were. Later, Ferro de la Sota announced that the PRI state committee had united in support of the rebels.

Speaking on behalf of the candidates for state congressman, Salvador Guerra asked that the state's sovereignty be respected. He said: "There cannot be an acting governor when there is an elected governor."

The protesters remained inside the Legislative Palace until after midnight. Because of that, it was not possible to resume the legislative session. And the appointment of Medina Plascencia, which had obviously been agreed on beforehand, was still pending.

Meeting in the central courtyard, perched in the upper corridors, or sitting in the armchairs in the legislative chamber, the PRI members participating in this unusual action never stopped shouting:

"We want Ramon! We want Ramon!"

* Colosio Denies Aguirre Resignation 'Deals'

91CA0225B Mexico City EXCELSIOR in Spanish 4 Sep 91 pp 1-A, 10-A

[Article by Armando Sepulveda Ibarra: "No Deal in Guanajuato"]

[Text] Speaking to the National Political Council [CPN], the president of the PRI [Institutional Revolutionary Party], Luis Donaldo Colosio Murrieta, said yesterday that "those who interpret the Guanajuato case as political compensation for alleged widespread fraud" or "as an acknowledgment of alleged electoral illegalities" and "those who surmise that there were deals" "are mistaken."

He said that in response to "special conditions resulting in a state of tension between legality, ethics, and political competence," the PRI decided that Ramon Aguirre Velazquez should resign as governor-elect in an exercise of public ethics "to reconcile the (PRI's) victory with the principles of our political morality."

During an extensive speech with a lengthy reference to Guanajuato, Colosio Murrieta explained that "we made this decision because we are committed to democracy in its fullest sense: a democracy that brings society together, not one that divides it, and one that does not turn the contest between parties into social confrontation."

In the lobby of the Plutarco Elias Calles Auditorium, Colosio Murrieta told the 157 CPN members that the PRI's votes in Guanajuato were well documented and that the "accusations by the opposition parties are only an attempt to cover up their limited ability to persuade the citizens to support them; they are trying to hide their failure behind unfounded disqualification."

In his analysis of the decision made by Aguirre Velazquez "for party reasons" and as proof of "our public morality," the PRI leader pointed out that "it is very clear, and there is no room for doubt, who is promoting intolerance and who is in favor of respect and civility."

Colosio Murrieta said that "those surmising that there were deals in the Guanajuato case are mistaken." He added: "To add credibility to the legality of our upcoming victories and defuse the opposition's arguments, it was at our initiative that the state congress appointed the acting governor of the state (Carlos Medina Plascencia of the PAN [National Action Party])."

He said that the measures adopted in our process of political reform have been meeting society's demands, "and we will have to continue on that same path."

The PRI president, who ad-libbed at certain points in his prepared speech, pointed out that the acting governor of Guanajuato would not become governor on the basis of a popular vote, with the result that "in his everyday work, he will have to respect the requirements of consensus politics. Because of that, he is obliged to conduct his government in an impartial manner, no matter how brief that government may be."

He asked the PRI's members in Guanajuato to make "an extra effort on top of that by the members in the rest of the country" and said that "the contribution being made by our comrades to the promotion of a strengthened democracy in Mexico deserves our fullest admiring recognition."

And he added: "We recognize conviction to reconcile legality and principles of political ethics [as published]. We understand the indignation they have expressed: it is also ours, and it is irrefutable, because in Guanajuato the PRI has votes, social density, and vigor and capability in its organizations. In Guanajuato, the PRI has strength and a solid reputation in its work within the institutions."

Our Organization Will Remain

Colosio Murrieta said that in the mayoral elections in Guanajuato this December, "our organization will remain, as will our ability and our grounds for attracting the vote, and we will win again. The party's national leadership promises the PRI in Guanajuato that it will join in the effort that is being made beginning today."

When special elections are held, "we will again attract the vote; let us remember that in Guanajuato, it will be the people who must have the last word. We will continue our victories," he asserted.

The PRI president said that Guanajuato was an exceptional case but that the party, thanks to its resolute action in the state legislature, "where our majority is beyond question," and to party political activity in that same body, would "necessarily establish the conditions for guaranteeing the state's stability and harmony within the law."

He said that the PRI had actively demonstrated its democratic will through its internal reform, its contribution to electoral reform, and its recognition of the opposition's victories. In Guanajuato today, as a result of the decision in question, the party is providing new proof of irrenounceable loyalty to its democratic calling.

Colosio Murrieta then asserted: "Let it be clearly understood that in making this decision, we are not turning our backs on our supporters and members all over the country. In this period of great importance to the nation and this time of profound changes all over the world, we view the vote by Mexicans for the PRI as a mandate to continue transforming the Mexican nation on the basis of a new political ethic. The vote for the PRI was not a vote for the exclusion or annihilation of the opponent.

"That was why we asked and why we will again ask each voter who voted for us to renew his political will in favor of this party—with its past, its present, and its happy outlook for the future—in the local elections that will soon be held in several of the country's entities," he said.

He emphasized that the vote in Guanajuato gave the party "the victory of legality, but the special conditions of the contest in that state made it necessary for us to reconcile victory with the principles of our political morality. Those principles strike the proper balance between our commitments to the nation, to society, and to the party itself." In a situation where it was difficult to meet all those commitments simultaneously while respecting public ethics, we placed our higher responsibility to the nation and to society as a whole ahead of the party's legitimate claim of election victory, he added. And we did so because our idea of democracy is that it must serve society; for that reason, it cannot harm society, split it, or undermine its harmony.

"We did so as a duty in connection with the political leadership of the country. We view the majority vote for our party as a clear mandate to guide the democratic transformation of Mexico. We did it because we consider power to be an instrument for the benefit of all, with no exclusions and no sectarianism."

Colosio Murrieta pointed out that while victory is sought from each party's trenches during an election contest, a party's responsibility is to the entire nation when the time comes to govern. That rule of political ethics has been defended and is being confirmed in actual fact by President Salinas de Gortari. Although his administration is of party origin, it governs for all Mexicans.

"That is our public morality," the PRI leader asserted. "The party endorses that morality through decisions like this one. That is why the citizens vote for us."

Aguirre Resigned To Help Party

In his extensive speech, which was listened to without interruption and with applause only at the end, Colosio Murrieta explained that "the reasons mentioned by our candidate for not occupying the position for which he was running were party reasons: Ramon Aguirre Velazquez made the decision not to take the oath of office as constitutional governor of Guanajuato. He did

so not only in his own conscience but also openly to the party, with dignity and militant commitment. It was undoubtedly a difficult decision, but it demonstrates his great stature as a man and as a citizen."

Here the PRI leader emphasized that "because of that, those who interpret this decision as an acknowledgment of alleged electoral illegalities are mistaken...and also mistaken are those who interpret the Guanajuato case as political compensation for alleged widespread fraud...those who surmise that there were deals in the Guanajuato case are mistaken."

He said that as in other phases of Mexican history, the PRI, backed by the popular mandate, is assuming the responsibility, through its political action both as a party and as the government, to guide the national transformation, and "we do so in awareness of the risks and difficulties involved in making certain decisions, but our period in power has been based on our talent for pushing ahead with change while overcoming threats to the country's stability and harmony."

He also said that in the elections, the PRI obtained "the greatest political backing we could have aspired to. There is popular support and a broad social basis for moving ahead with the tasks of national modernization."

In voting for a program for government, Mexicans made the future of Mexico certain, he said, and he added that "we will have a legislature for moving ahead with the reforms in accordance with the mandate we have received. The majority which we have won extends the horizon for the reforms to be undertaken; the changes will have to be more far-reaching: more ambitious and innovative."

We Do not Want To Dominate; We Want To Persuade

He said that the PRI regards this mandate as being one for change, but also one for stability: for the improvement of the institutions, not their disintegration. "We are fully aware of the responsibility we have acquired, and we accept it without hesitation: our victory must be for the purpose of strengthening this new social spirit." Colosio Murrieta explained that the party would assert its majority, "but we will do it with arguments, dialogue, and consensus. We want not to dominate but to persuade. We will continue to improve the quality of our democracy."

He said that these election results renew "the issues on our agenda, cast aside dogmas, and introduce new topics. Today we have better standards for political competence, and we must improve them in practice. But there is no doubt that we are faced with one fundamental fact: as in other parts of Mexico, a plural democracy with a majority party is being consolidated."

The PRI leader asked that there be no frittering away of "what we have achieved in terms of organization, the establishment of territorial democracy, the opening up of new channels for activity by our organizations and members, the modernization of our political leadership, and the updating of our principles, action program, and political proposals."

He said that the PRI's members "must consolidate our reform and continue along the path chosen." And he reminded the council members that in a democracy and in politics, nothing is permanent: there are no permanent defeats or victories. The voters can reward, but they can also punish.

At the beginning of his speech, Colosio Murrieta said that the intention and resolution to reform now prevail: "we are not reforming politics just to be reforming." And he noted: "Our reform process consists of building a new public morality in keeping with the demands of society: a morality consisting of respect for political freedoms and social diversity; the priority of the public interest over private interests; peace and stability; and attention to the problems of social justice."

That kind of morality views power as an instrument, not as an end, he added. It is the morality of the pledged word, of civility, and of fair play.

The PRI leader said that in the contest just ended, the party was committed to improving the quality of our democracy. "We went before society and campaigned with it; we competed within the law with reasoning and organization; we sought dialogue with the other parties in order to persuade society to participate fully in the election and conducted ourselves with civility and respect."

He said that the results of the elections held on 18 August showed that the PRI met with a response, since it received a vote of confidence by the majority of Mexican society. "It received those votes on an exemplary civic day: the high rate of citizen participation reveals the maturity of our society and sets new parameters for political competence. The determination of Mexicans to participate in public affairs in a peaceful and orderly manner was obvious; never before in a midterm election have we had such a high voter turnout."

He said the results were confirmation that the voters rate the various competing political platforms. All the parties subjected themselves to the judgment of the citizens, and the party that is in the government "submits to an evaluation of the progress and results achieved with its program." He emphasized that the great majority in society had made a positive and favorable assessment of President Salinas de Gortari's administration.

He emphasized: "The majority vote for the PRI was a vote of confidence, it was a vote of certainty, and it was also a vote of hope.

He said there were no shameful ways of participating and exercising freedoms and civic rights and no first-class and second-class votes. By voting, the citizens were also rating the organizing ability of the various parties, the

way in which they conducted their campaigns, and the profile and personality of their candidates.

Colosio Murrieta concluded his speech with these words: "We have now demonstrated that we have a party designed for victory. Let there be not the slightest doubt that today we have a party for continuing the transformation of Mexico."

* Study Details State's Election Irregularities

91CA0226A Mexico City UNOMASUNO in Spanish 5, 6 Sep 91

[Article by Jorge Fernandez Menendez: "SLP: The Cybernetic Juggling of Voter Registration"]

[5 Sep pp 1, 6]

[Text] On the whole, the most voting irregularities in the entire country in the 18 August election occurred in San Luis Potosi. However, most of the anomalies occurred, not on election day, but long before: during the registration process, the issuance of credentials, and the drawing up of voter lists by the Registry of Voters in that federative entity, according to research completed by the UNAM [National Autonomous University of Mexico] School of Political and Social Sciences' Alternative Sociology and Communications Project.

A study entitled "Seven Points of Voter Registration in San Luis Potosi," directed by researcher Cuauhtemoc Rivera, observes that in urban districts, where in recent elections factions rallying round the San Luis Potosi Civic Front-PAN [National Action Party] alliance enjoyed an easy victory or had very high voting percentages, rates of registration and the issuance of voting credentials were notoriously lower than in other municipalities in which the PRI [Institutional Revolutionary Party] won with over 90 percent of the votes.

For example, in the city of San Luis Potosi, credentials were issued to only 69.36 percent of all citizens of voting age. In the San Luis Potosi metropolitan area municipality of Soledad de Graciano, where countless irregularities were recorded in 1988, even though the San Luis Potosi Civic Front was massively represented, 62.36 percent of all potential voters have no credentials.

In contrast, in the 7th District, located right in the middle of San Luis Potosi's Huasteca region and where the PRI obtained over 90 percent of the votes, the registration rate is 93.7 percent of all voters and 88.49 percent of them have voting credentials. In other words, it was far simpler in San Luis Potosi to distribute nearly all the credentials in some of the nearly inaccessible rural zones of Huasteca than in the streets of the country's capital and other metropolitan districts. The difference is so drastic that, according to official data, of the 258,000 Potosi residents of voting age not registered or without credentials, 47.22 percent live in the capital city and metropolitan area municipalities. In the 1st and 6th districts of that zone, where there is a heavy concentration of Nava votes, citizens of San Luis Potosi without the right to vote total 50.31 percent.

The aforementioned study, concluded only days before the 18 August elections and of which UNOMASUNO has a copy, shows that, based on official figures, once the process of registration and the issuance of voting credentials were completed, only 76.06 percent of all Potosi residents were qualified to vote, in contrast with 1988, for example, when registration involved 91.27 percent of all citizens, and last year's elections, when the rate dropped no lower than 90.38 percent.

However, as early as 1990, official sources show, voter rolls included 20 municipalities, most of them rural, where the number of those registered exceeded by an average of 7.9 percent the total number of qualified voters! For example, 4,322 persons in Lagunillas had the right to vote, but the rolls showed that 5,059 were registered with that right. Villa de Guadalupe had 5,600 legal voters, but 7,246 registered. Villa Hidalgo had 8,188 potential voters but 10,047 registered. In these 20 rural municipalities, the total difference between potential voters and those registered was 14,539.

Precisely the opposite occurred in 1991, the study shows. Instead of an increase in registration, it dropped radically in areas where the opposition enjoyed the greatest influence. In overall terms and for a total voting-age population of 1,078,707 persons, the general voter rolls show 996,083 citizens (or 92.34 percent of all residents with the right to vote), while 900,995 names are on the register (83.53 percent), and the final lists show 820,556 citizens, the equivalent of 76.06 percent of all individuals of voting age.

It is noteworthy that these proportions are not the same in the different districts and municipalities. Thus it is that in the 1st and 6th districts of the state, located in the capital and considered to pose the greatest danger to the PRI due to the historic presence of the Nava and PAN opposition, registration was the lowest in the state. In the former case, for a voting-age population of 191,808 citizens, 80.68 percent were registered, meaning that 37,056 persons were automatically excluded from registration. The case of the 6th District is even more explicit. Of the 212,137 persons residing there, only 149,914 were registered, a proportion of 70.66 percent, which automatically excluded 62,223 citizens from voting, nearly a third of the total potential voters. Paradoxically enough, in the 7th District in Huasteca, of the 138,043 potential voters, 129,426 (or 93.76 percent) were registered.

The same is true on the municipal level. The city of San Luis Potosi had 313,285 potential voters, but only 240,685 were registered, meaning that 72,660 citizens were not registered. In other words, only 76.82 percent of the voters in the capital municipality were registered. In the populous metropolitan area municipality of Soledad, of 69,126 potential voters, only 48,900 were on registration lists, or 70.74 percent of the total. In other words,

because they were not registered, 92,826 citizens of the state capital could not vote. In the UNAM School of Political and Social Sciences Alternative Sociology and Communications Project study, these data reveal that the capital and Soledad have 52.18 percent of all unregistered citizens in the state, while the remaining 54 municipalities have the remaining 47.82 percent. In that sense, registration in a number of rural municipalities is nearly exemplary: Xilitla had 93.76 percent of its residents registered, a proportion repeated in Axtla, Tanquian, Tampacam, San Martin, Coxcatlan, Tancanhuitz, Tamazunchale, and others.

State officials have noted that—however paradoxical it may appear—this is solely due to the fact that it is easier to register voters in rural areas because they are at home more. However, crosschecking data with the most election results shows, coincidentally enough, that in all municipalities where opposition beat the PRI, registration was radically lower.

Consequently, we find that in San Luis Potosi, where in the last election for presidents of municipalities the opposition beat the PRI with 55.92 percent of the votes, registration of potential voters was only 76.82 percent. In the San Luis Potosi metropolitan area municipality of Soledad, where despite countless reports of fraud in the most recent municipal elections the PRI won by a very narrow margin, registration dropped to 70.74 percent of the potential voters. In contrast, in Axtla, where the PRI won 99.63 percent of the votes in the 1990 municipal elections, registration increased to 93.76 percent. The same happened in Huehuetlan (PRI: 99.86 percent of the votes; registration, 93.76 percent); Coxcatlan (PRI votes, 99.59 percent; registration, 93.76). In at least 10 other rural municipalities where voting for the PRI was over 75 percent in the most recent municipal elections, the rate of registration was clearly higher than the state average of 83.53 percent of all potential voters. Coincidentally, these municipalities are the very ones that in 1990 had more voters registered than actually existed.

[6 Sep pp 1, 6]

[Text] According to the study completed by the coordinators of the Alternative Sociology and Communications Project of the UNAM School of Political and Social Sciences, in San Luis Potosi, at least 6,273 voting credentials in the 6th District and 2,890 in the 7th were not delivered to their rightful holders. In other words, 4.67 percent of all registered voters on the lists of the 6th District and 3.05 percent of those in the 7th were indeed included on the lists, but claimed they never received their credentials. What has actually happened to those voting credentials has not been made clear.

Numerous anomalies occurred in the registration process and the drafting of name lists used in San Luis Potosi in the 18 August elections. As already indicated by the study coordinated by researcher Cuauhtemoc Rivera, when registration was conducted, of 1,078,707 persons having the right to vote, only 900,837 were registered and only 820,556 names appeared on the lists, implying that 258,151 citizens were unable to vote in the last elections.

What could be a general problem is heightened in the districts where the PRI suffered a defeat in the last elections, particularly the capital, San Luis Potosi, and its metropolitan area municipalities in the 1st and 6th districts. In the 1st District, of the 154,752 persons on the registry, only 139,984 appeared on the lists, comprising 72.98 percent of the total potential votership. Sixth District figures are even lower: Of the 212,137 potential voters, only 70.66 were registered (149,914), while the lists contain only 134,084 names, equivalent to 63.18 percent of the potential voters. In contrast, in the 7th District, in San Luis Potosi's Huasteca region, the percentage of those receiving credentials and being placed on the lists of names is very high. Of 138,000 potential voters, 93.76 percent were registered (129,426), and nearly all of them received their credentials and were included on the name lists: 122,161, or 88.49 percent of the district's population of voting age.

As in the case of registration, the issuance of credentials was far more efficient in rural than in urban districts. Furthermore, there was a higher rate of coverage, especially in districts where the PRI has in the past won ample majorities.

There are truly drastic cases when one analyzes the municipalities: In the city of San Luis Potosi, credentials were issued to only 69.36 percent of the population, implying that 95,990 citizens could not vote on 18 August. In the San Luis Potosi metropolitan area municipality of Soledad, the figure drops to 62.36 percent of the potential voters. When one adds voters excluded from the 1st and 6th districts (the capital city and surrounding areas), one finds that 50.31 percent are excluded from the lists! In other municipalities, where the PRI obtained over 90 percent of the votes in municipal elections, the issuance of credentials exceeded 86 percent.

However, when a field study was done of names on the lists in the 6th and 7th districts (the former in the San Luis Potosi metropolitan area, where there is a strong opposition presence; the latter in San Luis Potosi's Huasteca region and dominated by the PRI), many forgeries were found in the census and name lists, further muddying the process.

According to that study, the 6th District contains 12.08 percent errors or forgeries, while in the 7th they make up 11.59 percent of all names on the rolls. In absolute terms, this means that the 6th District had 16,205 persons whose data were not authentic and the 7th 10,576.

In addition to the cases named—some 10,000 in the two districts combined—of persons on the name lists but claiming not to have received their voter cards, there are many other anomalies.

For example, in the 6th District, 3.8 percent of those registered (5,096) do not live at the address claimed. In the 7th, this irregularity affects 4.53 percent of those with voting credentials, a total of 4,293 persons.

Despite the fact that those who took the voter census in the state relied on the cartographic assistance of INEGI [National Institute of Statistics, Geography, and Information], numerous cases were found of residences that did not exist, particularly in the 7th District, where that anomaly totaled 3.13 percent of those on the lists (approximately 3,100), persons who, according to the list, received credentials but could not be located because they lived at residences that do not exist!

Both districts also have cases of name duplications: .19 percent in the 6th and .26 in the 7th.

Nor are these anomalies distributed uniformly. When one analyzes their distribution in the municipalities, one f nds that the capital has 43.75 percent (2,774) of those on the lists but never receiving credentials, 46.16 percent of all cases involving persons (2,352) not living at the address listed, 25.71 percent of the nonexistent residences (1,176), and 50 percent of the duplicated names (132).

The municipality of Soledad has similar proportions (43.75 percent of those on the lists but without credentials, 33.22 percent of persons not living at the address listed, and 54.14 percent of the nonexistent residences).

Such irregularities affect a total of 7,056 citizens in the municipality of Soledad alone. Based on the nature of the irregularities, one can calculate that the same number of credentials is not in the hands of the rightful owners. In the city of San Luis Potosi, according to the study completed seven days before the elections by researchers from the School of Political and Social Sciences, the number is a reported 6,404.

In the 7th District as well, the great majority of irregularities is found in the municipality of Tamazunchale, where 1,239 persons were registered but had no credentials (42.85 percent of the cases found in the 7th District), 2,559 persons not living at the address listed on the name lists (59.61 percent of the cases detected), 2,972 nonexistent residences (100 percent of the cases in the district), and 33.33 percent of the duplicated names (82). The same district had several cases of minors registered, 50 percent of them (83) in Tamazunchale. The total number of irregularities found on that municipality's name lists and affecting the same number of credentials was 6,935.

Guatemala

Defense Minister Discusses Devine Case

PA0810031691 Guatemala City SIGLO VEINTIUNO in Spanish 7 Oct 91 p 3

[Text] Defense Minister General Luis Enrique Mendoza Garcia, commenting yesterday on the situation with regard to soldiers involved in the assassination of U.S. citizen Michael Devine, said that the Army does not need "to confess" to the U.S. Government because it is informed about the process.

Gen. Mendoza Garcia traveled to Taiwan on 6 October, on an invitation from the defense and government minister of that Asian country, to attend the 80th anniversary celebration of the founding of the Republic of China on 10 October.

The minister added that accepting the invitation "contributes to the strengthening of ties of friendship and cooperation that exist between the two countries."

As for the talks held with German jurist Christian Tomuschat, a UN human rights expert, the Guatemalan defense minister said that they discussed "precisely that, human rights," without going into detail.

"Devine Case"

As for the murder of U.S. citizen, Michael Devine, in which 11 members of the Army are involved, four of whom were released, Gen. Mendoza Garcia said: "The case is being handled in the courts and that is where the case should be resolved when the time comes."

"We hope that the case will be resolved as soon as possible because it has caused a lot of problems, not just for the soldiers, but also for their relatives, because indiscriminate accusations have been made, and the case has been politicized," Mendoza said.

He added that it is advisable that the case be resolved as soon as possible for the sake of "credibility" in the application of justice and the state of law in Guatemala.

Asked about the continuation of the freeze on U.S. military aid and the demands to enforce the law in the "Devine case," the defense minister pointed out: "It is a viewpoint and decision that belongs only to the U.S. Government."

"I would say that we do not have to confess to them (United States) because they know the process is being conducted according to our own judicial procedures and the trial will move forward until a verdict is reached," the military official said.

As for the talks between the government and the guerrillas, the defense minister said "the talks are most appropriate to obtain information for the peace commission."

"As for the actions that have occurred in the Escuintla area, they have no other explanation but the lack of commitment by the subversives to accept the will of the people, which is the search for peace and reconciliation of the Guatemalan family," Gen. Mendoza said.

He added that with these actions, the guerrillas are trying to say "we are alive" and that they are somehow seeking opinions both nationally and internationally "that favor their position when stating their conditions."

Mendoza said that the reports issued by the National Guatemalan Revolutionary Unity (URNG) were "completely false" when they stated that they had caused 52 Army casualties in clashes that took place in the Escuintla area.

"That is not true, they are just trying to justify the aid they are receiving from their sponsors," the defense minister said, and added that he could not further elaborate on the "sponsors" of the rebels.

The trip by Gen. Luis Enrique Mendoza Garcia coincided with the arrival of Rigoberta Menchu, Indian leader and leader of the Guatemalan opposition abroad, who will participate in a meeting of Indians and popular groups of the American Continent.

"We have nothing against her. This is her land," Gen. Mendoza concluded.

[In a similar report Panama City ACAN in Spanish at 1554 GMT 7 Oct 91 adds:

"Thomas Stroock, U.S. ambassador to Guatemala, said last week that his country will not renew military aid until the culprits for Devine's death are punished. Devine, a U.S. businesssman who lived in northern Peten Department, was murdered 8 June 1990. "Eight soldiers have been sent to prison for this murder, however, upon instructions from militry courts investigating the case, four officers were released last month due to lack of evidence. "Captain Hugo Contreras and Fabian Arevalo de las Cruz, a specialist in antiterrorist tactics, were also granted temporary release, meaning that they are still subject to the authority of the court."]

Army-Rebel Clashes 2-3 Oct; 10 Killed

PA0610035791 Panama City ACAN in Spanish 1536 GMT 3 Oct 91

[Text] Guatemala City, 3 Oct (ACAN-EFE)—A military spokesman reported that 10 persons, among them four soldiers, four rebels, and two civilians, perished in the last 24 hours during clashes between the Guatemalan Army and rebel groups in the northern Quiche Department.

According to the Information and Press Department of the Army (DIDE), the first of the skirmishes—during which the soldiers and the civilians died—took place near Santa Rosa, Quiche, where the rebels ambushed two Armed Forces land units.

Among the dead are terrorist expert Hector Leonel Garcia Racaco, Sargent Profirio Gonzalez Lopez, soldiers Donis Fernando Marcos Gregorio and Diego de Jesus Perez, and private citizen Luis Arturo Acevedo and another victim, not yet identified.

"All the dead were finished off with a shot in the head," the DIDE noted.

The DIDE said that in San Antonio, El Baldio jurisdiction in Quiche, two rebels were killed during armed clashes with a patrol from the Military Zone No. 20.

Two other rebels were killed at a site known as Tzala when a military patrol encountered a Guatemalan National Revolutionary Unity column, the report noted.

Rebels Attack Military Patrol, Block Road

PA0310184891

[Editorial Report] Guatemala City SIGLO VEINTIUNO in Spanish on 28 September prints a 400-word report on Guatemalan National Revolutionary Unity [URNG] activities in Escuintla Department. On 27 September, URNG guerrillas attacked a military patrol on the Santo Tomas presidential farm near Las Quintas. A soldier in the Presidential Guard was wounded in the attack, which occurred in Escuintla jurisdiction, on the road to the Pacific. The rebels also held a rally to criticize the government, and they forced drivers to use their trucks to block the road. A helicopter gunship from the Guatemalan Air Force and armored vehicles from Militay Zone No. 12 were sent to the area to reinforce the troops, but the guerrillas fled after holding the rally.

Guatemala City Teleonce Television in Spanish at 1800 GMT on 30 September carries a four-minute report on statements made by Manuel Conde, secretary general of the Presidency and chief government negotiator at the peace talks with URNG. He played down the importance of a 29 September guerrilla action on the main southern coastal road. Several soldiers were wounded and commercial vehicles were damaged during the attack. Conde said that the guerrillas "do not need to use such actions to maintain a presence at the negotiating table." He added that these actions are aimed at achieving international relevance, but their sources of support and financing no longer believe that such actions are the correct path. They know that "a dialogue at the negotiating table" is the right thing to do. Conde goes on to say that it is the duty of the Armed Forces to defend the sovereignty of the country, and the Guatemalan people strongly reject violent guerrilla actions.

Honduras

* Budget for 1992 To Total 9.6 Billion Lempiras

91CA0231A Tegucigalpa LA TRIBUNA in Spanish 6 Sep 91 p 56

[First paragraph is LA TRIBUNA introduction]

[Text] Within the next few days the ministry of finance and public credit will send the 1992 budget bill to Congress. Its total has been estimated at about 9.6 billion lempiras, including funding for the decentralized institutions.

The bill contains additional funding of 60 million lempiras for public health and about 91 million for the ministry of education, but it also calls for trimming "excess personnel" in public administration, said budget director Rafael Suazo.

Suazo told LA TRIBUNA the budget is ready to go to the legislature next week, and it has been discussed with President Rafael Leonardo Callejas's cabinet. "No obligations were left out," he added.

Suazo said the government's financial position does not allow large amounts to be allocated for new activities but, based on the chief executive's concerns and guidelines, it does cover the top priority social and infrastructure issues.

In social areas, additional funding is being provided for the ministries of education and health, and Secopt [Secretariat of Communications, Public Works and Transport]. There are hospital equipment programs, a teacher's pay increase, and the continuation of infrastructure projects.

He specified that in education the government has pledged to raise teachers' salaries, and this comes to "a considerable amount." They are also planning funding for the UNAH [National Autonomous University of Honduras], without exceeding the 6 percent stipulated.

The budget is also limited by the 33-91 decree, which calls for a 10-percent cut in current spending for the central government and a 15-percent cut in the decentralized institutions. According to the budget director, this will have a "negative impact" in 1992.

That government decree will primarily allow "personnel cuts" in public adminstration. According to Suazo, these cuts will not be made solely through direct layoffs.

First, he said, some vacant job slots in the government have been "eliminated," amounting to about 3 to 4 million lempiras. In other areas, it is estimated that at least 200 public employees have applied for voluntary retirement in return for the payment of supplemental benefits.

However, he added, "there are excessive personnel" in the public sector, and the government will faithfully comply with the law in terms of its labor commmitments. That is, it will immediately provide benefits for employees who are laid off.

To do so, "we need a lot of money," he said, stating that talks have begun with the Agency for International Development to negotiate between 30 and 50 million lempiras for benefits, and the appropriate "justifications" are being made.

The central government's total budget for the 1992 fiscal year is 4.5 billion lempiras. That figure could be modified, indicated Suazo.

The difference from the current budget is 1.1 billion lempiras.

In 1991 Congress approved a 3,410-billion lempira budget, but Suazo said that the "considerable difference" in real expenses of the period, which are recurrent, need to be taken into account.

For example, he said that in the 1991 fiscal year the budget grew by about 100 million lempiras for salary increases, 53 million for urban transport subsidies, and 6 million lempiras for cholera prevention and treatment.

He noted that those increases also include public debt service, which for the present year was projected at an exchange rate of 2 lempiras per dollar, but in making the payment on the "effective debt," the interbank rate of 5.30 is used.

"This will be a considerable difference, for it will translate the debt to an amount of about 4 billion lempiras, or perhaps slightly more, and that is the amount that should be used for the purposes of a comparison with 1992," he indicated.

While for 1991 foreign debt payments of 180 million lempiras were estimated, because of the new official exchange rate it is expected that in 1992 that amount will range between 500 and 600 million lempiras. These differences are called "exchange losses."

Suazo said the budget will include estimated funding of 5 billion lempiras for the decentralized institutions, and the central government funding is about 9.6 billion lempiras. Congress is expected to pass this combined budget, it was reported.

Finally, Suazo said that most of the budget is financed from internal funds, amounting to about 3.6 billion lempiras for the central government.

* Drought Causes 20-Percent Crop Loss

91CA0231B San Pedro Sula TIEMPO in Spanish 21 Aug 91 p 4

[Text] Tegucigalpa. About 20 percent of the basic grain crops have been lost because of the drought afflicting almost the entire country, said the minister of natural resources, Mario Nufio Gamero.

He said that the areas that are having serious problems because of the lack of rainfall are southern Honduras, the Comayagua Valley, and some valleys in the Francisco Morazan department, including the Talanga, Orica, Cedros, el Porvenir, and San Ignacio valleys.

Still, he said that the major corn-producing areas, like the Jamastran Valley, the Danli Highlands, and the Olancho valleys, especially Lepaguare and Guayape, "are in good condition."

Minister Nufio Gamero reported that the drought is affecting all of Central America. As an example, he cited the fact that El Salvador has already lost a third of its corn harvest, estimated at 12 million quintals.

* Comayagua Losses 60 Percent

91CA0231C Tegucigalpa EL HERALDO in Spanish 27 Aug 91 p 4

[Text] Because of the drought, 60 percent of the crops in the Comayagua Valley have been lost, and a lower percentage in the south, the director of agriculture, Mario Dacarett, said yesterday. If it does not rain within the next few days, the losses will probably be even higher in these and other regions of the country, he predicted.

For the 1991-92 growing season, natural resources officials had estimated a production of 16 million quintals of corn, 2.4 million quintals of unhulled rice, 1.5 million quintals of beans, 350,000 quintals of soy beans, and about 2 million quintals of sorghum.

According to Dacarett, 50 percent of the crops have been lost in the south and 60 percent in the Comayagua Valley. He added that based on data provided by the Weather Forecasting Service and a meteorology unit in the Water Resources Department, between August and December precipitation should be lower than in past years. All of this means that the drought could grow worse in several areas.

Speaking on this issue, President Rafael Leonardo Callejas has warned that if it does not rain within 10 days, the losses will be even greater.

Panama

Attorney General Says Military Plot Thwarted

PA0810022891 Paris AFP in Spanish 0149 GMT 8 Oct 91

[Text] Panama City, 7 Oct (AFP)—Attorney General Rogelio Cruz announced on 7 October that Panamanian authorities have thwarted a military plot to overthrow President Guillermo Endara.

At an impromptu news conference, Cruz said that four soldiers were arrested and two others remain at large. Although he did not provide names or ranks, he explained that sublieutenants, lieutenants, captains, and majors are involved or suspected of involvement in the plot.

The attorney general also said that "former members of the defunct Defense Forces are organizing subversive groups in various provinces" and that they have staged robberies to obtain money and buy weapons.

According to Cruz, the former soldiers have formed "subversive cells," which remain active with the support of "politicians, student groups, and labor unions," which he did not identify.

The U.S. Army quashed a rebellion of at least 300 officers and policemen led by Colonel Eduardo Herrera 11 months ago. The authorities have reported that they have thwarted four other plots against the government. They have accused followers of ousted General Manuel Antonio Noriega, including the M-20 [20 December Movement], of being involved in those plots.

Meanwhile, U.S. State Department Spokesman Richard Boucher said last week that dissident Panamanian groups are planning "terrorist activities" in October.

Citing reports from the U.S. Embassy in Panama, Boucher warned that there might be attacks in bars and nightclubs frequented by U.S. soldiers.

Although Endara avoided commenting on Boucher's statement, the president's personal guards were armed with assault rifles and an M- 60 machine gun was placed near the presidential palace.

Endara traveled to New York on 6 October to deliver a speech to the United Nations on 10 October.

Further on Investigation

PA0810025791 Hamburg DPA in Spanish 0221 GMT 8 Oct 91

[Text] Panama City, 8 Oct (DPA)—Official sources have reported that former officers of the defunct Panamanian Defense Forces are being investigated for allegedly planning a new coup attempt against President Guillermo Endara, who is presently in the United States to speak to the United Nations.

The Panamanian Attorney General's Office has reportedly issued arrest warrants against former Major Carlos Saldana and former Lieutenant Alcibiades Rodriguez. Both are mentioned as the suspected leaders of a plan to stage a coup d'etat against Endara.

According to official spokesmen, Saldana tried today to seek asylum at a Central American embassy, but later decided to leave the mission.

Carlos Saldana became known in Panama after he verbally confronted U.S. soldiers during events that took place between the soldiers of the two countries prior to the U.S. invasion of Panama.

Attorney General Rogelio Cruz said that several individuals who are under arrest have stated that a recent robbery was carried out in order to obtain funds to buy weapons to "topple the government."

Although Cruz did not reveal the names of those involved, he said that one of the former officers participated in the 5 December coup attempt led by former Police Director Colonel Eduardo Herrera.

Last week, U.S. spokesmen warned about possible terrorist actions in Panama. The attorney general said that U.S. intelligence agents have not participated in his investigation.

Air Traffic Controllers Stage Indefinite Strike

PA0710172691 Panama City EL PANAMA AMERICA in Spanish 7 Oct 91 p 1

[Report by Juan M. Diaz]

[Text] The Panamanian Association of Air Traffic Controllers [APACTA] has announced that it will go on an indefinite strike starting at 0600 on 7 October and has denounced the existence of a plan of the Civil Aeronautics Directorate to have U.S. Air Force personnel control aerial movement in the country.

APACTA President Juan Ramon Gonzalez pointed out that this measure was adopted because of the government's refusal to negotiate the list of requests presented by the air traffic controllers. So far, all efforts at rapprochement between the sides have proven unsuccessful.

Gonzalez underscored that the use of U.S. Air Force personnel to control Panama's air traffic represents a flagrant violation of the country's sovereignty and also poses a threat for aircraft safety, because air traffic controllers must have exact information regarding the ground-controlled approach areas at each of the country's airports.

The strike, which will be effective at all of the airports in the country, will also affect international air traffic because many airplanes will be forced to change their courses given the impossibility of landing safely in Panama, and this in turn will congest other routes.

The APACTA, which has approximately 80 members, has also called on the community not to use air transportation services due to the danger posed by airplanes approaching airports without the guidance of air controllers, and because the area controlled by Panama is among the most complex in Latin America.

It was also announced that the strike will continue until the government responds positively to the controllers' salary demands; approximately 52,000 balboas in extra wages are owed to them.

Meanwhile, Civil Aeronautics General Director Zozimo Guardia described the strike as illegal, because the payments the controllers are demanding are included in the nation's 1992 general budget.

Guardia added that during talks between the government and the strikers, the latter did not present a list of specific requests. He also said that the strike endangers the nation's aerial safety, which entails legal actions that will be brought to bear against the individuals responsible for the strike.

Strike Suspended

PA0710193191 Panama City Telemetro Television Network in Spanish 1730 GMT 7 Oct 91

[Text] The air traffic controllers, who have decided to stage an indefinite strike on a national level on 7

October, have suspended the strike to engage in direct negotiations with government authorities. Currently, the conflicting parties are talking and in the next few hours a satisfactory solution to the controllers' salary demands could be reached. Meanwhile, it was quiet this morning at the Tocumen International Airport, a stillness that is not common here.

Presence of Colombian Hired Assassins Reported

PA0810010691 Panama City CRITICA LIBRE in Spanish 6 Oct 91 pp 40, 31

[Report by Arnulfo Mendoza]

[Text] Assistant District Attorney Carlos Herrera Moran said: "Colombian hired assassins from the Medellin Cartel are arriving in Panama to execute some people."

Herrera said that these hired killers, who represent the armed branch of the drug traffickers, are entering the country through the border posts of Puerto Obaldia, Jaque, and other areas.

Herrera said the situation is causing concern. He said his office, working jointly with the Judicial Technical Police [PTJ] and the National Police, has carried out several operations in recent days to capture Colombians who are in Panama without the appropriate documents because there is evidence that some of them are here to promote violence throughout the country.

The Panamanian official said that many local and foreign bands are fighting for control over the drug market and over the operations bases used to send narcotics to the United States. These groups are having conflicts right now and are sizing each other up.

Herrera said his office has been investigating several murders committed in Panama City and Colon. The cases being investigated include execution-type killings, with the victim receiving one shot in the cervix, a characteristic of drug traffickers' "vendettas." Herrera said: "This type of murder has been carried out in Pacora, San Miguelito, and Colon, and some residences have been attacked with explosives. Two Colombians who illegally entered through Puerto Obaldia have been arrested."

The district attorney noted that on several occasions he has warned that the problem near the border with Colombia is a national security problem and a source of concern because the conditions under which national security organizations have to function are very poor. This fact has facilitated drug-trafficking operations and the entry into Panama of smugglers, drug-traffickers, and people without the proper documents.

Argentina

Di Tella Favors 'Big Escalation' in Haiti

PY0710175091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1118 GMT 7 Oct 91

[Text] Buenos Aires, 7 Oct (NA)—Foreign Minister Guido di Tella said that Latin America must be ready "to do all it can" to crush the coup d'etat in Haiti. Thus Di Tella ratified the harsh position Argentina has adopted regarding the institutional conflict in Haiti.

Foreign Minister Di Tella reasserted that Argentina favors "a big escalation" because "if you do not announce that you are willing to make a bigger effort, you never amount to anything."

The foreign minister said that another OAS Council meeting has been summoned for 8 October, but warned that if a solution to the situation in Haiti is not found "there will be an escalation," which in principle, could involve "the enforcement of economic sanctions."

Foreign Minister Di Tella also said that he will discuss every possibility, "from the enforcement of an economic blockade to the sending of a peace force."

The foreign minister said: "The events in Haiti are affecting the Americas just as the Gulf War affected the United Nations."

Additional Comments

PY0710155691 Buenos Aires TELAM in Spanish 1133 GMT 7 Oct 91

[Text] Buenos Aires, 7 Oct (TELAM)—Foreign Minister Guido di Tella said: "We are convinced of the need to restore institutional order in Haiti because the Haitian people deserve it and because Latin American interests demand it."

He said: "I want to insist that, in addition to our solidarity with Haitian constitutional authorities, Argentina is defending its national interests and those of other Latin American countries."

An Argentine Foreign Ministry communique issued last night states that Di Tella spoke in Washington after an OAS foreign ministers meeting with Haitian President Jean-Bertrand Aristide.

The Foreign Minister said that Aristide "is striving to integrate the most impoverished sectors into Haitian society."

Di Tella confirmed: "We are aware that democracy and economic development must go hand in hand. This is a complex but necessary task that demands social consensus and agreements." He added: "Democracy is built through the united aspirations of all national sectors."

The foreign ministers of the OAS delegation that visited Haiti will meet today to draft a declaration that will be subjected for approval during the OAS foreign ministers meeting on 8 October.

Trade Delegation To Discuss Cooperation in PRC

PY0510142491 Buenos Aires BUENOS AIRES HERALD in English 4 Oct 91 p 5

[From the "Business World" column]

[Text] (DYN)—An Argentine trade delegation headed by International Economic Relations Secretary Alieto Guadagni leaves for China today to take part in talks on bilateral trade and cooperation to be held in Beijing between October 7 and October 10. The agenda includes the purchase by China of Argentine grains and soyabeans, the signing of a reciprocal investment and promotion agreement and the sale of industrial goods. The Chinese Republic is Argentina's sixth largest overseas market. In 1990, Argentine exports amounted to 228 million dollars while imports totalled 12 million dollars.

Judicial Branch Economic Independence Suspended

PY0410195291 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 4 Oct 91

[Text] Acting President Duhaide spoke about the suspension of the judicial branch autarky. Duhalde said that the government decided to suspend judicial autarky because the wage scale approved by the Supreme Court of Justice is not in keeping with the rest of the salary situation in Argentina. He added that the judicial branch's new wage scale could generate similar wage demands en masse which would affect the economic convertibility plan.

Navy To Participate in Unitas Exercise

PY0510142091 Buenos Aires BUENOS AIRES HERALD in English 4 Oct 91 p 13

[Excerpts] Four [as published] Argentine Navy ships will sail today from Puerto Belgrano to join the U.S. task force in surface, air and submarine manoeuvres within the XXXII UNITAS exercises.

The Argentine task force includes the destroyers Heroina and La Argentina, the corvette Parker as well as the dispatch ship Teniente Olivieri, the submarine Santa Cruz (which will depart from Mar del Plata) and the landing ship Cabo San Antonio. [passage omitted]

Two Super Etendard airplanes, two Aermacchi, two Trackers, one Electra and two Sea King helicopters will be the Argentine aircraft assigned to the manoeuvres.

The combined operations will also include amphibious missions performed jointly by Argentine and U.S. Marines. [passage omitted]

Bolivia

Peasants Say DEA Agents Destroying Roads

PY0210001091 La Paz PRESENCIA in Spanish 25 Sep 91 Second Section p 1

[Text] Cochabamba, 24 Sep (PRESENCIA)—The Special Federation of Peasant Workers of the Tropics [FETCTC] has charged that DEA agents continue to destroy the paths built by peasants in the zone.

FETCTC Executive Secretary Evo Morales Ayma reported that a path built at the 9 de Abril union in the 2 de Agosto federation, in the area of Puerto San Francisco 180 km northwest of Cochabamba, was "bombed" last week.

Morales said: "They have committed themselves to not destroying the paths, but they continue to do so. This is a serious situation because these paths are built by our fellow peasants to transport products because this zone is the main fruit producer."

He said that while the government talks about alternative development, the DEA destroys the paths. "We do not know how an alternative development can be implemented without roads. The truth is that we do not understand the policy implemented by the government, which says one thing and allows other things to happen like actions to destroy roads."

He said that DEA agents plant explosives on roads they believe are being used as landing strips for small aircraft linked to drug trafficking. "This was a path, not a true road. We build paths to transport the fruits to the roads. This is the only way, despite the fact that the government talks about alternative development."

He described the government's policy on the matter as "incongruent," especially when it does not comply with its commitments like the eradication of coca crops. He said: "The forceful eradication of coca crops continues, and the government has not yet complied with its commitments. This is the way things are going on."

He said that coca producers have "again and again" reiterated that they do not oppose the coca crops' replacement and alternative development. On the contrary, they submitted concrete proposals to implement them "but the government does not want to listen to them. It does not want to understand them."

He finally voiced his concern because "of the lack of confidence in the government," which does not comply with its commitments and forces peasants to adopt repressive measures like demonstrations, "which helped to obtain something, but the offenses against peasants still prevail."

Seven Parties Register for Municipal Elections

PY0410235291 La Paz Television Boliviana Network in Spanish 0200 GMT 3 Oct 91

[Summary] Seven parties have thus far registered for the municipal elections set for 1 December. The parties are: the Solidarity Civic Union; the Free Bolivia Movement; the Patriotic Alliance, which is made up of the Movement of the Revolutionary Left and the Democratic Nationalist Action; the Revolutionary Front of the Left; the United Left; Conscience of the Fatherland; and the Nationalist Revolutionary Movement.

Netherlands Agricultural Credit Received

PY0710180491 La Paz Television Boliviana Network in Spanish 1700 GMT 7 Oct 91

[Excerpt] The Peasant Development Fund has received the second installment of a nonreimbursable loan from the Netherlands Government. The loan will allow the institution to continue to implement its programs.

It was handed over by [name indistinct], a representative of the Netherlands Technical Cooperation organization. With this installment of $471,500, half of the total loan has therefore been received. The loan will benefit 4,308 agriculture workers and will enable the Peasant Development Fund to resume its activities, improving the standard of living of Bolivian peasants. [passage omitted]

Brazil

Collor Addresses Nation on Amendments

PY0710225491 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Oct 91 p 39

["Text" of address to the nation by President Fernando Collor de Mello over a national radio and television hookup on 5 October from Itaguari, Goias State; all quotation marks as published]

[Text] "I am here to talk to you again on topics of common interest.

Since the 1989 electoral campaign, I have called your attention to the magnitude of the challenge lying ahead of us to achieve modernization and social justice in our country. We must build development, yet not on the basis of many people living in poverty or on the destruction of nature, as it used to be in the past. Instead, we must seek a socially balanced development that will not affect the environment.

This has been a must for all of us who are working to build a better future for Brazilians, especially for our children, who are the top priority for my government.

To achieve this, we must fulfill a national understanding—which should be as comprehensive as possible—through a free, open debate.

Today we are commemorating the third anniversary of the new Brazilian Constitution.

The new Constitution has been instrumental in restoring full democracy and consolidating public liberties.

A Constitution that was innovative on many topics, and that was even advanced on the subject of social rights for Brazilians, thus came to life. We must note, however, some revealing statistics. The Constitution uses the words "rights" and "guarantees" 182 times, while it uses the word "duties" only 32 times.

There is a clear imbalance here.

The delegates to the Constituent Assembly that made the new Constitution knew, however, that the Constitution reflected the political reality prevailing throughout the months during which it was drafted. Thus, they included provisions in the Constitution for its revision and improvement.

Since its implementation, several people have contended that, as it was approved, the Constitution would cause all kinds of difficulties, especially an imbalance in public accounts and a lack of incentives for domestic and foreign investments.

It was necessary, however, to wait and see if those concerns were justified.

Now that the Constitution has been in force for three years, it may be stated that although the Constitution alone did not cause all these problems, it is making them worse.

I want to show you some very significant charts now.

The figures I will show you now are related to the average income of Brazilians—which has not been good at all—in recent years. Those first two columns in green show that income markedly increased in the 1970's. In the 1980's, the average income was disastrous, especially between 1981 and 1986. The downward trend in the red column shows that Brazilians became poorer. As the last column shows, income rose very little between 1986 and 1990. The 1980's were years of complete stagnation.

We are determined to change this situation.

To do this, to start growing again, we must first stabilize the economy; that is, we must eradicate inflation through consistent measures. It is no longer possible to implement economic shocks in Brazil.

I am going to show you why.

It is just a question of following this line, which shows how inflation has behaved since 1985. Prices began to climb and when they reached a peak, the Cruzado Plan was enforced. Prices were frozen, inflation dropped, and prices remained low during the price freeze. Then, prices began to climb again until the Bresser Plan was enforced in 1987. History then repeated itself. Without structural adjustment measures, prices resumed their upward trend until the Summer Plan was enforced. Although prices dropped for a while, they started to climb again almost instantly. Prices continued to climb steadily until 15 March 1990. On that day, we adopted tough measures and cut back expenditures to restore balance. The effort made then by the federal government was not matched by state governments, which spent funds they did not have in electoral disputes. Despite all our efforts, prices began to climb again early this year, although not as seriously as in the past. Thus, I ordered another adjustment, which made inflation drop. Yet it still persists.

My friends, the only shock that can resolve this problem is the shock of truth. And if the facts show us a difficult path we must face it with a lot of courage, determination, faith, and work.

Our fiscal deficit is one of the main causes of our high inflation rate. We have a public sector that spends more than it collects. When I talk about the public sector I refer to the federal government, the states, municipalities, and public companies. They all finance their deficits with inflation.

This chart tells the story of the federal public debt. It is the result of many past deficits. We can see here that the deficit moved from tolerable levels to become a giant deficit, a giant inflation generator. In 1981, the debt in constant value was nearly 6 trillion cruzeiros. Without fiscally austere policies, the fiscal deficit continued to increase. I inherited a debt of 30 trillion cruzeiros at the beginning of my government. Thanks to the very harsh measures I adopted at the beginning of my administration and to very austere government spending, we were able to reduce the deficit to 11 trillion cruzeiros at present.

We have to reduce the deficit even more if we want investments and growth without the threat of inflation. If structural adjustment measures such as the ones I am proposing are not adopted, the debt will inevitably increase, making society's sacrifices useless.

I launched the Project for National Reconstruction at the beginning of this year, inviting Brazilian society to examine and discuss it. My government proposed a debate. We talked with politicians, workers, entrepreneurs, and legal experts in search of a national understanding. We continued our work schedule, which began in March, with this project of constitutional reforms that we are submitting to Congress today.

These are courageous proposals. We are determined to move forward and definitively eliminate our fiscal deficit. Our objective is to reach that goal in 1993. Our proposed constitutional amendments face this issue, they make fiscal reforms easier, they open spaces for reductions in unnecessary spending, and they encourage deficit reductions and the reduction of states debts. They also will allow the private sector to operate public services.

The issue of public workers is one clear example of what we need to review.

In private companies, Brazilian workers must do what any worker in the world does to keep his job: show dedication, competence, diligence, and efficiency. If public workers want to have absolute job stability they also must show dedication, capacity, and efficiency. It is necessary to eliminate for good the hiring of public workers without the moral and constitutional requirement of public competition. Ten years of continuous service is the most adequate term to consider the qualities that society expects and deserves from public workers who are paid with the people's money to serve them. The government proposal does not eliminate the rights acquired through the 1988 Constitution by those who, until then, had more than five years of continuous public service.

We have to encourage and value good public servants. They must be maintained and awarded. We must improve the quality of public service by paying competent workers more. All Brazilians will end up winning. Public service will become more efficient and the government will spend less to maintain the administrative machine.

The 1988 Constitution greatly increased the transfer of resources from the federal government to states and municipalities.

This chart shows that an ever-increasing percentage of federal revenues are transferred to the states. In 1970, states received 12 percent of total revenues. In 1980, this transfer topped 20 percent. In 1990, the government transferred to states and municipalities nearly half of what it collected through the IPI [tax on manufactured products] and income tax. In 1992, according to this chart, states and municipalities will take more than half of the total federal revenues to their localities.

There would be no cause for alarm if these resources were benefiting the people by supplying them with schools, hospitals, security, homes, transportation, and good sanitary services. Unfortunately, however, this is frequently not the case. Having too many employees—and without being able to reduce their number—governors and mayors must assign most of the public resources to pay for salaries and become, consequently, unable to implement their government programs. The workers, my fellow countrymen, are thus harmed.

As you can see, since 1988 expenses for public employees' salaries have been using more and more resources of the federal, state, and municipal governments, and grabbing larger and larger portions of our national revenue. The red column shows how the payment of salaries is increasing states' and municipalities' expenses. The blue column shows a similar phenomenon regarding federal government expenses. You can see that my administration has succeeded in reducing this type of expense, although this has cost great sacrifice, but the states and municipalities have not.

This situation has created gigantic debts for the states. The states' internal and external debts now total $57 billion (almost 31 trillion cruzeiros), $12 billion (6.5 trillion cruzeiros) of which consists of unpaid overdue installments.

This is why I included in the Big Amendment proposal provisions that will allow the states to increase their investments and refinance their debts with funds from PIS-Pasep [Social Integration Program-Government Employees Welfare Fund] and other programs, and with a small portion of states' and municipalities' resources. This, however, will only be allowed for a period of two years. It must be made clear, therefore, that those who will contribute these resources only will have to sacrifice for two years. This sacrifice, however, must be shared so that the problems can be solved faster and more effectively instead of becoming worse. If—instead of calling for the people's contribution—we printed more money to refinance these debts, our economy would not hold out.

We are aware that most governors and mayors want to govern their states and improve the people's standard of living instead of limiting their administration to the payment of salaries. This is why our efforts to change this situation are being supported by more and more Brazilians. The sad reality of paying taxes and not receiving good public services in exchange will end.

Let us analyze why we do not receive good services in exchange for our taxes.

There is a great deal of confusion in the federal, state, and municipal sectors of the government about who should receive what and who should do what regarding the supply of services to society. The obligations have not been divided in accordance with the resources of each government sector. The federal, state, and municipal governments lose time and money doing the same tasks simultaneously. These tasks are almost always badly and ineffectively performed and cause losses.

This situation must worry all who do not want to see roads full of holes; who want all Brazilian children to have access to a good basic education; and who must assign funds to agriculture to reduce the price of foodstuffs. It must worry all who know that it is the public sector's obligation to grant the people security, health assistance, and homes.

The situation I have just described answers the questions some still are asking: Why should we privatize certain state-owned companies such as Minas Gerais Iron and Steel Mills, Inc.? Why should the government withdraw from certain productive activities? Why?

First of all, because the government is no longer in a condition to assign resources to these companies to keep them competitive. Without these resources, the state-owned companies lose their effectiveness. Without effectiveness, these companies lose their capacity to win against their competitors. Without this capacity, they

lose their markets. Without markets, they lose their profits; they can no longer make money. Without money, they have losses and end bankrupt. If they go bankrupt, the workers lose their jobs. With unemployment, the workers' families begin to suffer.

It is to avoid this tragic situation that we are moving ahead with our privatization program. We are doing what most countries already have been doing rapidly and without hesitation because that economic model in which the public sector, the state, attempted to replace private companies in production efforts has failed and it is being eliminated once and for all.

I have another subject I would like to discuss tonight: investments. Brazil unfortunately has lost a great deal in recent years as a result of the growing withdrawal of both foreign and local investors. It is important for all Brazilians to understand that without money, without new investments, we will not be able to modernize our economy or grow at the necessary rate to create jobs for everyone.

We are now cleaning up the country because this is what most Brazilians want. It will be in this new, clean Brazil, that local and foreign investors will be willing to place their confidence, resources, and technology. This is no longer the time to be suspicious of foreign private investors' intentions. Today, there is a worldwide competition for foreign capital and we are definitely contending in this competition.

My friends, by making this package of proposals to amend some articles of the Constitution, I am implementing a major, decisive step toward solving the grave problems affecting all Brazilians. Yet, these changes can only go into effect after they have been understood, examined, discussed, and approved by the national Congress.

For our part, we have thoroughly discussed these proposals in the Council of the Republic with political party leaders, congressional leaders, the governors, and the various sectors of society. To all of them, we have given clear facts about how difficult it is to reconcile some provisions of the Constitution with finding effective solutions to Brazilian financial and socioeconomic problems. Our ideas have been generally well received because the picture we presented was convincing and because we have made a very careful review of the specific amendments we are proposing. We do not intend to hurt anyone's rights. On the contrary, we want all of the Brazilian people's constitutional rights to be effectively exercised.

This is what democratic life is all about, my friends. It means to learn about our problems, to make and discuss proposals, and to participate and contribute to finding a solution.

Radicalized disputes and positions that antagonize employers and workers, businessmen and politicians, and politicians and workers will only generate inflation, recession, a salary decrease, and unemployment.

The time has come, my friends, for us to unite for the good of Brazil, for our own individual good. Join this great effort for national understanding. We, Brazilians, must understand each other.

May each individual ask himself how he can contribute to the common good, to building a truly fraternal national community.

May the thoughts of all Brazilians be focused on tomorrow with confidence, with the assurance that we will have peace, prosperity, and happiness.

May the upcoming visit of His Holiness Pope John Paul II bring blessings to our victorious march.

God will help us!"

Amendment Proposal Reduced

PY0410220491 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Oct 91

[Excerpt] The executive branch proposal to amend the Constitution was reduced to eight points, following many meetings with political leaders and representatives of the people. One point refers to the requirement of 10 years of seniority to allow a retired public employee the right to have job stability. [sentence as heard]

Other points refer to fiscal adjustment and the opening of the economy to foreign investments. President Collor is sure that his proposal will be approved by congress, according to Deputy Humberto Souto, leader of the official bloc in the Chamber of Deputies.

[Begin Souto recording] We eliminated from the amendment proposals everything we could after listening to different sectors of society and the parties. What remained is what is necessary for the modernization and opening up of the economy.

The president is absolutely convinced that his proposal will be approved because that is the opinion that has leaked from congress and the media. [end recording] [passage omitted]

Measure on Privatization Law Published

PY0410221091 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Oct 91 Section 4 p 4

[Text] Provisional Measure 299 of 1 October 1991 interpreting Law 8031 of 12 April 1990.

THE PRESIDENT OF THE REPUBLIC, by virtue of the powers bestowed upon him by Article 62 of the Constitution, hereby adopts the following Provisional Measure, which will be as good as law.

Article 1. Article 16 of Law 8031 of 12 April 1990 assures those holding debt titles the right to use them to purchase privatized assets. There will be no limitations

concerning operational methods, payment methods, or the type of assets, which could include goods purchased on credit, that will be acceptable in exchange for those assets.

Article 2. This provisional measure will enter into effect on the date of publication. All provisions contrary to this measure are hereby repealed.

Brasilia, 1 October 1991, on the 170th year of independence and the 103d year of the Republic.

Minister Comments on Military Pay Raise

PY0410220091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Oct 91 Section 1 p 8

[Excerpt] Aeronautics Minister Lieutenant Air Brigadier Socrates Monteiro stated in Manaus, Amazon State, that the average 45 percent salary increase granted on 1 October by President Fernando Collor de Mello does not compensate for the salary loss that the Armed Forces have experienced in the past three years. He said: "The low salaries earned by military personnel have not generated dissatisfaction, but the loss must be compensanted for."

He said that the salaries for military personnel have been readjusted just 247 percent in the past three years. [percentage as published] He added that "the restricted salary of military personnel is unjust and should be recovered in accordance with their expectations." [passage omitted]

Unemployment Rates for Last Quarter Reported

PY0810012891 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Oct 91

[Summary] According to information from IBGE [Brazilian Institute of Geography and Statistics], unemployment in August was 4.03 percent, in July 3.82 percent, and in June 4.86 percent.

Ministry Implements 25 Percent Wheat Tax

PY0810011491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Oct 91

[Text] Agriculture and Agrarian Reform Minister Antonio Cabrera announced today a 25 percent tax on wheat imports.

Cabrera explained that the measure seeks to encourage national wheat production.

This month alone the government will disburse 80 billion cruzeiros to finance the wheat harvest.

Farmers had stopped planting wheat because they found it easier to import it without taxes.

Chile

Aylwin Opens Interparliamentary Conference

PY0710205091 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Oct 91

[Text] President Patricio Aylwin spoke during the inaugural session of the 86th Interparliamentary Union Conference in the Diego Portales building today. Aylwin said that society's main challenge is to ensure the full implementation of freedoms and human dignity, not only in the political sense but also in the social and economic aspects.

[Begin recording] We have to defeat poverty just as we defeated dictatorship. We should be able to build societies in which prosperity is not for the few but also for the people who live in poverty. We should be able to create economic growth, as well as social justice. [end recording]

Aylwin said the well-being of developing nations will not be stable as long as large social inequalities exist and segments of our population live in misery, adding that our goal is growth in equality. The president said legislative work requires firmness to uphold legislators' individual convictions, modesty to admit when someone else is right, and democratic vocation to practice civic friendship.

Those who trust in force more than in reason; those who think they own the truth and despise those who think different; and those who cannot accept disagreements, cannot be legislators, the president said.

[Begin recording] Deep inside they are afraid and try to hide their fear, denouncing the uselessness of congressional mechanisms and their alleged inefficiency to quickly resolve problems. This is how the agents of dictatorships and totalitarianism cover their mistrust of citizens' participation, their contempt for people's dignity, and their fear of reason and dialogue. [end recording]

President Aylwin later said that institutions' stability is an essential prerequisite for respect for everyone's rights to exist. The president added that this stability presupposes that means cannot be separated from goals, violence is not the path for peace, dogmatism is not the path for dialogue, and confrontation is not the path for eliminating conflicts.

Peruvian Minister Comments on Investments

PY0410234991 Madrid EFE in Spanish 1711 GMT 3 Oct 91

[Text] Santiago, 3 Oct (EFE) — Fernando Sanchez Albavera, the Peruvian mines and energy minister who is currently visiting Santiago, explained that the Peruvian Government has adopted measures to promote investments, especially foreign investments, in the privatization of state owned enterprises.

During a talk he gave on the Peruvian economy at the seat of the Economic Commission for Latin America (ECLA)—the highlights of which are stressed today in the Chilean press—Sanchez encouraged the elimination of all controls and privileges of state enterprises.

The Peruvian minister stated that the measures adopted establish a free exchange of foreign currency, free interbank competition and market rates, and tariff reforms.

He said that investments can be made through formulas that include association of capital (joint ventures) [two preceding words in English], concessions, and managerial franchises and contracts. He also delivered a detailed report on the mining and energy sectors.

He explained that all mining enterprises, beginning with Petroperu [State Petroleum Agency], Mineroperu [Peruvian State Mining Enterprise], and Centromin [Central Peru Mining Enterprise], are implementing rationalization plans with a drastic reduction of employees and with investment promotion through associations or the direct sale to the private sector of productive mines and those that are in the stage of exploration.

The Peruvian minister added that the state monopoly for the commercialization of gold has been eliminated. This has encouraged private investment and the development of various projects.

U.S. Request for Compensation Draws Reaction

PY0510171091 Santiago Radio Chilena Network in Spanish 1030 GMT 5 Oct 91

[Text] National Renewal [RN] and Independent Democratic Union [UDI] leaders have said that no compensation can be paid to the Moffit and Letelier families while the Chilean State's responsibility is not established. They thus referred to a U.S. Government request for payment of $24 million in ex gratia compensation.

RN president Andres Allamand said that it is not a matter of questioning the amount of compensation because that is not the main issue.

[Begin Allamand recording] I would rather not refer to the amount of the compensation because what we reject is the principle that has been used to justify this request. We believe that as long as the Chilean courts have not clearly established respective responsibilities, one should not even speak about compensation. The subject should be addressed only after responsibilities have been established and if these responsibilities are found to be provided for by law. [end recording]

UDI Secretary General Joaquin Lavin said that paying compensation would mean that the Chilean State admits that it is guilty. He said that the amounts demanded by the United States are excessive.

[Begin Lavin recording] A case is being heard in Chile; people have been arrested; others have been indicted; and there is an ongoing investigation. We believe that it would be inappropriate to pay before ascertaining that such guilt truly exists. [end recoding]

Lavin said that the amount demanded by the U.S. Government is out of proportion with the amounts that will given to the victims of human rights violations in Chile.

In this regard, Deputy Jorge Schaulsohn, PPD [Party for Democracy] vice president, said that the state has subrogation rights when paying the amount requested by the U.S. courts for compensation for the murder of former Chilean Foreign Minister Orlando Letelier and his secretary Ronni Moffit, who was a U.S. citizen.

[Begin Schaulsohn recording] What I do believe is that the Chilean State should have the right to subrogation. I believe the state does have it, from a legal viewpoint. This means that if Chilean courts find General Manuel Contreras guilty of the charges that have been made against him, the state can make use of Contreras' personal assets to recover part of the compensation payment. [end recording]

Jorge Schaulsohn said that Contreras owns valuable assets in southern Chile, which can be auctioned. He said that the compensation payment will be much lower than the one requested by the U.S. court, adding that bilateral Chilean-U.S. relations are also involved in this case.

Socialist Party President Jorge Arrate said that the amount requested by the U.S. court is too big, and that it must be considered by the State Defense Council.

[Begin Arrate recording] I think the State Defense Council, which protects national interests, should operate expeditiously and with determination—I am sure it will do so—in order to reduce that amount as much as possible. The $24 million amount is too much for Chile. [end recording]

Arrate concluded by saying that the figure could be subject to discussion; the U.S. Government has its own criteria.

Finally, Christian Democratic Party Deputy Andres Palma refused to give an opinion on the compensation payment requested by the United States, noting that it is a proposal that calls for more detailed analysis.

Officials Appointed To Handle Border Case

PY0410181191 Santiago Radio Chilena Network in Spanish 1030 GMT 1 Oct 91

[Report by Daniela Araneda]

[Text] The government appointed Eduardo Vio, the Foreign Ministry director of legal affairs, as the government's co-agent in the arbitration court. Vio will work with Ambassador Javier Illanes, the Foreign Ministry borders and limits director, representing Chilean interests at the arbitration court that will settle the Laguna del Desierto case.

Vio explained that he and Illanes traveled to France where they met with a French attorney and a British attorney to investigate the possibility of cooperating in this case. Vio did not elaborate on this meeting because the issues discussed involve the interests of the fatherland.

Vio said that Chile will present its case taking into account the various sectors of Chilean society. He added that all involved sectors and all specialists on this issue will be consulted. He confirmed that Chile has solid legal arguments to defend its case.

The first concrete step of the negotiation, which began in August 1990 when President Menem visited Chile, will be the filing by both countries of their briefs, that is, background information on their claims on the Laguna del Desierto territory. The filing of the Chilean brief will be made by Javier Illanes and Eduardo Vio.

The date for the filing of the brief and the first hearing will be established in the arbitration commitment that will be signed later this month, that is, 90 days after the signing of the appropriate agreements by Presidents Aylwin and Menem. These agreements were signed on 2 August 1991.

Political Parties Form Coalition for Elections

PY0510001591 Santiago Radio Cooperativa Network in Spanish 2300 GMT 3 Oct 91

[Text] Senators of the Socialist bloc that comprises the Socialist Party, PS, and the Party for Democracy, PPD, have suggested forming a coalition to face the upcoming municipal elections. They did not discard the possibility of discussing a merger of the two parties in the future. Congressmen Rolando Calderon, Jaime Gazmuri Ricardo Nunes, Hernan Vodanovic, and Laura Soto have released a document entitled PPD-PS and Today's Challenges.

The text of the document was read by Senator Laura Soto. It points out that the experiences shared by the two parties in the Senate have not conflicted with the individuality of either of the parties.

The document adds: The upcoming municipal elections are our most immediate challenge. These elections will allow us to comply with one of the great tasks of democracy.

[Begin Soto recording] We believe that our decision to participate in the elections as part of a coalition will increase the potential of the parties that make up the coalition, and of other parties that may join the coalition later. Within the framework of complementation and cooperation, the coalition will maintain the characteristics of each party and express the substantial, overall elements shared by them. The coalition will thus allow us to offer a common project for the municipal government. We will contribute to the upcoming municipal elections by supporting the coalition candidates countrywide. [end recording]

The document states: These definitions are proposed within the framework of a debate on the points of cooperation which must exist if we are to project ourselves into the future.

Center-Center Union Party Rejects Coalition

PY0510012391 Santiago Radio Chilena Network in Spanish 1030 GMT 4 Oct 91

[Text] Center-Center Union [UCC] President Jorge Gomez Balmaceda said that his party is not involved in anything that the UDI [Independent Democratic Union] might decide to do regarding a center-right pact. Gomez thus referred to a UDI statement rejecting the creation of a front as proposed by the National Renewal. Gomez said that at this time the UCC has good political opportunities and a clear view of the situation of the country.

Gomez said that his party is not surprised by the position of the UDI because that party is sorting out its future. Gomez said that insults do not affect them and that his party will maintain cordial and positive relations with the National Renewal.

Police Arrest FPMR Militants; Bombings Reported

PY0710142291 Santiago Radio Chilena Network in Spanish 1030 GMT 7 Oct 91

[Excerpts] Agents of the Civilian Police Assault Brigade have arrested four individuals on charges of armed robbery, violation of the arms control law, and for being members of the Manuel Rodriguez Patriotic Front [FPMR].

The individuals were identified as Manuel Christian Arce, alias Nicolas or Pablo, 27; Manuel Eduardo Benegas, alias Ricardo or Monim, 21; Rodrigo Fernando Rojas, alias Anibal, 25; and Victor Hernan Guerra, 24. Civilian police agents said that the leader of the group, who was identified as (Danton Laferte), is still at large. The police said (Laferte) recruited the MIR [Movement of the Revolutionary Left] and FPMR militants who organized paramilitary groups. The four individuals, together with the evidence that supports their arrest, were placed at the disposal of 7th Santiago Criminal Court. [passage omitted]

Two bombs seriously damaged a Mormon Church in the Central Station neighborhood and a municipal clinic on Recoleta Avenue.

In the first incident an ammonium gelignite bomb damaged the front of the Mormon Church on 5 April Avenue. In the second incident the criminals placed two bombs each containing 100 grams of ammonium gelignite at the municipal clinic at 740 Recoleta Street. The bombs damaged the premises but caused no victims. The

Carabineros' Group for Special Operations investigated both incidents but no one was arrested. [passage omitted]

The self-styled People's Guerrilla Movement claimed responsibility for the bombing of a forestry firm in the 9th Region. The incident occurred at the Temuco Limited forestry firm, 173 km south of Santiago. No victims were reported.

The media in the 9th Region reported receiving telephone calls from the self-styled guerrilla movement claiming responsibility for the attack. This new group also claimed responsibility for planting a bomb at the San Pablo Station of the metropolitan railroad. One person was seriously injured in this attack.

The organization also admitted responsibility for the attack on the AGENCE FRANCE-PRESSE [AFP] office a few days ago.

Air Force Concludes UNITAS Participation

PY0410205591 Santiago Radio Chilena Network in Spanish 1030 GMT 4 Oct 91

[Text] The Chilean Air Force concluded its participation in the 32d Operation UNITAS with flights by A-37 Dragonfly aircraft from Air Group No. 12 of the 4th Air Force Brigade.

Joint operations began on 6 September near Arica with Hawker Hunter aircraft and subsequently, near Tongoy, with C-101 Halcon aircraft.

Mirage 50 aircraft participated in the exercises carried out near Constitucion.

The final exercise involved a strike by the Dragonfly aircraft on the UNITAS Task Force ships in the Magellan Strait.

PCCh Refuses To Explain Sanfuentes Resignation

PY0410204991 Santiago Radio Chilena Network in Spanish 1030 GMT 4 Oct 91

[Text] The Communist Party of Chile [PCCh] has refused to explain the resignation of former PCCh Central Committee member Jose Sanfuentes from the party.

PCCh leader Guillermo Sherping said that the situation should not be dramatized and denied that the resignation was caused by the Soviet crisis or the attitude of the Communist Party.

Sherping stated that he respects Sanfuentes' decision, but does not agree with it. He added that Sanfuentes has decided to act independently, though closely related to the communists.

Sherping rejected reports that the PCCh is going through a crisis.

Interior Minister Censures Lautaro Youth Group

PY0410192591 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 2 Oct 91

[Text] Interior Minister Enrique Krauss stated that the Lautaro Front will soon have to be called galvarinos [not further explained] because they will have their hands cut off by the authorities. He said this during the funeral mass for the Carabinero officer who was murdered yesterday in La Florida. The funeral mass for Carabinero Jaime Pantoja Arias was said this morning at the Carabineros Noncommissioned Officers School.

Minister Krauss attended the mass with high-ranking officers of the military police, headed by General Rodolfo Stange.

Carabinero Jaime Pantoja, 25, was murdered yesterday by extremists who were robbing the Education Corporation in La Florida District. Krauss was asked about the repeated subversive actions in that district and about the armed actions announced by the Lautaro Front.

[Begin Krauss recording] They are thus confirming our belief that those who practice violence in a democratic system are exiles within their own fatherland. This is the treatment they have received and this is the treatment they will continue to receive. The Lautaro youth group, or the so-called Lautaro youth group, will have to change its name soon, because we are going to have their hands cut off. They will have to be called galvarinos. [end recording]

The body of Jaime Pantoja was later taken by air to the 8th Region. He will be buried tomorrow in Lirquen, his home town.

Lautaro Groups Demonstrate

PY0510181291 Santiago Radio Chilena Network in Spanish 1030 GMT 5 Oct 91

[Text] The Lautaro Popular and Rebel Forces recently staged an armed demonstration at the corner of La Feria Avenue and Los Molles Street in La Victoria, San Miguel District. The Lautaro members threw a large number of leaflets and fired some shots into the air while shouting the following slogan: "Let us seize everything." The action, which did not last more than five minutes, took place yesterday at 1820 hours. Five men and five women, who were heavily armed, participated in the action. Carabineros personnel implemented an intense, but unsuccessful dragnet in the area in an effort to capture some of the Lautaro members.

Colombia

Antiterrorist Statute Approved by Commission

PA0610140691 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 3 Oct 91

[Text] The Colombian judicial system now has very powerful instruments to fight drug traffickers and terrorists. This is because the antiterrorist statute has been

approved by the little congress [nickname of Special Commission created by the July 1991 constitution to hold sessions until new Congress to be elected on 27 October 1991 takes office]. Here is a report by William Calderon:

[Begin Calderon recording] Under this jurisdiction, 88 anonymous judges and a superior court will fight terrorism and drug trafficking. They will also be able to try cases of sedition and rebellion. For this purpose, they will be able to hear secret witnesses and pay huge rewards to informers. However, the judges will not be able to order the judicial bodies of the Army, Navy, and Air Forces to make arrests, searches, or intercept telephone communications. The statute also prohibits the holding of suspects incommunicado. The evidence presented against those accused of terrorism or drug trafficking can only be challenged during the trial phase and the statements presented by members of the judicial police against them will be used as testimony. The defense lawyers, who in the past participated only from the time of questioning, are now empowered to do so from the moment their client is arrested. However, in these cases, there will not be a public hearing. Regarding assets seized from drug traffickers, it was decided that they will pass into the hands of the state following a judicial decision or in special cases, the judges can auction them and pay compensation to the victims of terrorism. [end recording]

U.S. Stand on Coffee Disappoints Government

PA0610201991 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 28 Sep p 12

[Report by Alcibiades Boitia]

[Text] The government has expressed its disappointment with the firm decision made by U.S. trade authorities in London to reject the Colombian-Brazilian proposal to withhold 10 percent of the world's coffee supply. This proposal was devised to stimulate prices, which have dropped over 50 percent in the last two years.

Foreign Minister Luis Fernando Jaramillo, who is currently in New York, said that on 24 September, he had personally requested U.S. trade authorities to reconsider their decision to reject the proposal. The U.S. representatives refused, claiming it would go against the free trade principles supported by the United States, as demonstrated by the OPEC crude oil negotiations.

Jaramillo said that Colombia does not agree with this inflexible stand that affects millions of people in Latin America, Asia, and Africa who are dependent on coffee production. The U.S. rejection of the formula to withhold seven million sacks from the world supply is very harmful. It was a standard proposal meant to ease the situation of coffee growers around the world who have lost approximately $6.0 billion in the last two years because of free distribution. To a large extent, the lost funds have ended up in the pockets of four groups of roasters that control 52 percent of the market and seven marketing companies that influence 46 percent of the sales.

Processed coffee prices have not fallen lower than $6 per pound in the international market, while Colombian coffee seed is selling for barely an average of $0.90. One of the delegates to the London coffee summit sarcastically said that the green seed is worth less than dog food. The rejection of the proposal calling for a 10 percent withholding of the exports from each country has been replaced by negotiations aimed at making a new international coffee pact. In the meantime, the coffee dependent economies of the 50 producing countries are slowly deteriorating.

The general assembly of the International Coffee Organization (OIC) decided to extend until 1993 the validity of the current agreement, which during the past two years has become a mere forum for discussing world coffee problems but has not offered any economic provisions for quotas and price controls. Colombia certainly did not expect this outcome from the London summit because it had met with coffee growers on many occasions so that it would arrive at the OIC assembly with a unified stand. Colombia even succeeded in getting the support of Brazil, which had acted on its own for two years. In view of the goodwill recently expressed by the United States, Colombia had hoped to carry forward its proposal. Once again, however, the coffee diplomacy broke down in the face of the U.S." "unyielding stand," which left the other countries interested in the proposal powerless.

According to Alexander Beltrao, the Brazilian OIC president, the current meeting should not be regarded as a failure because the fundamental terms for negotiating a new world coffee agreement were established. However, the consensus of both growers and consumers must be sought. Beltrao said he shares the concern of coffee growers who see their income getting lower and lower. He said, however, that it is necessary to be patient at the various forums so that a unified position can be reached. He said that the failure of the London negotiations might have repercussions on prices and that, above all, a balance should be sought to absorb the stock in the hands of consumers without deteriorating the prices any further.

While the London summit was drawing to a close, at the United Nations the Colombian foreign minister asked for the industrialized countries' support to arrive at a formula to stabilize coffee prices. According to the news agency REUTER, the minister said that despite the sacrifices and adjustments made by a number of developing countries and the fact that these countries' economies had been opened to trade and investment, their goods and services are encountering all kinds of difficulties in gaining access to the leading markets. The minister said that the fate of the developing countries is at stake because their interests are subjected to competition among the big economic organizations.

Jaramillo said the coffee-growing world is facing a "dramatic" situation because of the absence of economic clauses in the international coffee agreement. The prices have been at their lowest in the past 50 years, with serious consequences for the African, Asian, and Latin American growers, he said. To correct this, at the meeting in London, the growers presented an emergency plan aimed at reorganizing the market. Colombia is asking the industrialized countries to support this plan.

The international agenda, Jaramillo said, should give priority to reactivating the developing countries' economies by permitting their exports to be shipped to the industrialized countries' markets. "This is the kind of solidarity we request from the developed world," he added. Finally, Jaramillo said: "Detente among the superpowers has not brought food to the poor man's table. Misery and social injustice have not ended."

Government Meets With ELN Dissident Groups

PA0710221891 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0100 GMT 7 Oct 91

[Text] Today it was clearly established that the government has been holding direct talks with representatives of the Army of National Liberation (ELN) dissidents, known as El Parche, and other socialist reform groups.

While the Caracas talks with the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] have been indefinitely suspended, here in Colombia the ELN dissidents have gained ground and are currently engaged in direct talks with the government. The intentions of each side have become very clear.

In light of the CNGSB's refusal to accept them as part of their coalition to participate in the Caracas negotiations, the dissident faction opted to hold direct talks with the government. The goal of the talks is for the dissidents to lay down their weapons and demobilize in exchange for democratic and economic reforms. The government decided to listen to the group because the socialist reform group that joined El Parche represents approximately 50 percent of the group, which is led by Father Manuel Perez. Apparently the dissident group is larger than the ELN though and smaller than the government's estimate. According to state intelligence organizations, the socialist reform group is made up of 600 men and is led by Gabriel Borja, alias Jacinto Ruiz, a former ELN international relations head. It has its urban units in Valle del Cauca, Antioquia, Cordoba, Bolivar, Atlantico, Magdelena, and Cundinamarca Departments. The guerrilla fronts are concentrated in Sucre, bordering between Cesar and Norte de Santander Departments in the center and south Bolivar Department. A central front operates in old Caldas. El Parche, made up of 700 men, has its war fronts in Antioquia and Santander and its urban units in Medellin and other important department capitals. El Parche operates together with the political group To Fight. In these on again off again talks, it would be wise for the government to determine once and for all who is responsible for the terrorist acts and who is truly interested in peace.

Government Guarantees Normal Elections

PA0710203391 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 7 Oct 91

[Text] The government has guaranteed that there will be normal elections on 27 October throughout the national territory, including areas of conflict, such as the Atlantic Coast. During the weekend, Defense Minister Rafael Pardo Rueda met with the military commanders of the Antioquia, Cordoba, and Choco Departments to brief them on the mechanisms of the so-called Democracy Plan, which reportedly would guarantee normal elections in October. Pardo Rueda said that according to the reports delivered by the high-ranking commanders, the current situation permits a guarantee that there is no place where elections should be suspended due to lack of security guarantees. Rueda also noted that the different military units that operate in the area will coordinate their actions to avoid public disorder situations and obstacles to the general elections.

Drug Trafficker, Talks With Rebels Draw Comment

PA0710232591 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0112 GMT 7 Oct 91

[Report by Ivan Dario Parra]

[Text] The defense minister and the high military command held the "Democracy Today" summit in Medellin. Two important announcements were made at the end of the meeting. The first was that La Quica, the individual arrested in the United States, is the true Dandeny de Jesus Munoz Mosquera. The second was that the dialogue in Caracas will resume only if the guerrillas clearly demonstrate that they want peace.

General Octavio Vargas Silva, acting National Police Director, has confirmed to this newscast that the person detained in New York a few days ago is truly Dandeny Munoz Mosquera, a.k.a. La Quica.

[Begin recording] [Vargas] Based on fingerprints sent from the United States and those we have here, we are absolutely sure that La Quica is Munoz Mosquera.

[Unidentified reporter] General, will La Quica be tried in the United States or Colombia?

[Vargas] He is being tried in the United States on charges of submitting false papers. We will wait and see what happens. [end recording]

General Rafael Pardo, the defense minister, said the Caracas talks must be held under acceptable terms.

[Begin recording] [Pardo] The dialogue that the government has proposed as an alternative to solving the conflict with the guerrillas must be held under acceptable

conditions. These conditions are basically that the guerrillas must present a clear stand, that peace must be negotiated in Caracas, and that attacks in Colombia must end.

[Unidentified reporter] Mr. Minister, apparently the attack against the president of the Congress was carried out by the Simon Bolivar Guerrilla Coordinating Board and that is why the government decided to suspend the talks.

[Pardo] The rebels do not carry their legal identification papers at all times. But all the evidence and witnesses' accounts point to the National Liberation Army as perpetrators of the attack. [end recording]

Ecuador

Peruvian Helicopter Reportedly Overflies Ecuador

PY0810011091 Madrid EFE in Spanish 1647 GMT 7 Oct 91

[Text] Quito, 7 Oct (EFE)—Miguel Pubanchi, president of the Shuar Indian Federation, and Army Colonel Victor Salas, a member of the 21st Condor Brigade based in Patuca, a town on the border between Ecuador and Peru, today said a Peruvian helicopter gunship overflew Ecuadoran territory on 6 October.

Pubanchi stressed that the Shuar Federation does not want to alarm the country with this charge, but it will not permit "a Peruvian invasion," and this is why it has created "Indian resistance fronts."

Col. Salas stated: "We still are remaining calm because it was only one helicopter, but if this type of incident is repeated we will have to receive orders from the Joint Command."

The Peruvian helicopter, according to the military officer, "approached very close to the Ecuadoran military garrisons of Soldado Monge and Teniente Ortiz."

On 4 October, Ecuador and Peru opened a 10-day period of cogitation before continuing diplomatic talks to seek a peaceful solution to the border problem that flared up in August 1991.

The dispute affects a common border area of 78 km that does not have any border markers, and which in 1941 and 1981 was the scene of armed clashes between the two nations' Armed Forces.

Communique on Arrest of Citizens in Peru

PA0810001791 Quito Cadena Ecuador Radio in Spanish 2326 GMT 7 Oct 91

[Text] The Foreign Ministry issued a press communique a few minutes ago. The 7 October communique states:

In view of the unusual coverage that the Peruvian press has given to the presence in Peru of three Ecuadoran merchants, describing them as alleged spies, the Foreign Ministry reports that these fellow countrymen, two from Loja and one from [name indistinct], traveled with the appropriate safe-conducts to participate in the commercial and crafts fair at the Peruvian city of [name indistinct]. After the fair, they went to Chiclayo to be paid for their products and to return to Ecuador. In Chiclayo, they were arrested and then taken to the border when the accusations against them were retracted.

Peru

Ecuador Urged To Implement Integration

PY0610223091 Madrid EFE in Spanish 0411 GMT 5 Oct 91

[Text] Lima, 4 Oct (SEPRES) [expansion unknown]—President Alberto Fujimori ratified today his government's vocation for integration and he invited the brother country of Ecuador to do away with distrust and rancor in order to jointly overcome underdevelopment and backwardness.

"No one can doubt that Peru is a country with a vocation for integration. My government has continued this tradition. This is why we are observing with concern how—for reasons of a current nature, not historical ones—a process that is the fruit of Latin American awareness and maturity is being endangered," he said.

The chief of state was very clear when he stressed that with regard to borders, Peru does not have any business pending with any country. "Not even with Ecuador, a country with which I would like to have the best of relations," he said when he addressed a large rally in the main plaza of Satipo.

"Our firm and irrevocable vocation for integration is not going to stop us from defending our sovereignty with the same or even stronger firmness. This will never be under discussion," the president said.

Treaties Are the Basis of Civilized Coexistence

In this respect, he stated that international treaties are the basis of civilized coexistence between nations. Peru is a civilized country. If international treaties did not have any value, the reason of force and not the force of reason would prevail.

"Treaties must be respected, and the Rio de Janeiro Protocol is one of them. Four American countries are committed in this treaty, four guarantors of an indisputable agreement," he said.

The chief of state maintained that Peru, its people, and its Armed Forces will act calmly as members of an American family that is known for its respect for the law and rights. "Moreover, Peru, which is adequately prepared for any circumstance, will not fall into the game of provocations or act hastily," he said.

"The destinies of our nations are at stake in such a sensitive matter. We can only act calmly and with equilibrium, as people with an awareness of history, which has always pointed to integration," he said.

He stated that to go against this awareness, against the way that has been pointed out, or against the current is totally against history and involves other Latin American countries because "we cannot establish such an ill-fated precedent."

The Guarantor Countries Must Act Decisively

"This is why it is important that the guarantor countries of the Rio de Janeiro Protocol act decisively within the framework of the law. Only in this way will they also guarantee peace. We must prevent an emotional overflow. Our energy must be spent in development and in the solution of our problems, not in making the crisis even more serious," he said.

In another passage of his address, Fujimori stated that Peru hopes to contribute—together with its brother country of Ecuador—more to implementation of an integration process that will make it possible to forget distrust and rancor. "These sentiments must not exist between brother countries."

Fujimori pointed out that the atmosphere of discord that could be generated would harm integration, fuel an arms race, and merely yield substantial dividends for arms traffickers. He said: "This way, we will just postpone the development of our nations. We must be aware of this fact."

President Fujimori added: "Peru and Ecuador have a common enemy: underdevelopment and backwardness. United, we can defeat this enemy. Divided and pitted against each other, we will just make this enemy strong and maybe even invincible."

Fujimori said that overcoming underdevelopment "will be evidence of our maturity as nations." He said: "Latin America needs a consensus on effective integration to prevail in each one of our countries."

Fujimori Was Welcomed by a Multitude in Satipo

The head of state and his entourage, comprising congressmen from various blocs, entrepreneurs, and journalists, received a multitudinous welcome from the population of Satipo, which is celebrating another anniversary of its provincial status.

Upon arriving on a FAP [Peruvian Air Force] Hercules airplane at Mazamari Airport at 1300, the president of the Republic was welcomed, in accordance with protocol, by the political and military authorities of this jurisdiction.

Afterward, the head of state and his entourage flew on military helicopters to Satipo where the population massively expressed their affection for the head of the nation.

Fujimori Delivered Shotguns for the Self-Defense of Communities

During the principle ceremony at the main square, President Fujimori delivered 200 "Winchester" shotguns to the peasant defense patrols for the self-defense of their communities from criminal subversive actions.

Fujimori also delivered 15 trucks, 30 sets of office furniture, and 15 metric tons of food and medicine to the communities of this very rich province in the high jungle region.

Fujimori also delivered a speedboat to the Puerto Ocopa base, which is part of the Mantaro Front, so that the Armed Forces brigades can discharge their duty of quickly providing medicine and civic attention to the riverside towns of the river basin in this zone.

Mantaro Front General Commander Brigadier General Luis Perez Document administered the appropriate oath to the peasant defense patrols at the main square. The head of state gave Alberto Orozco Garcia, the leader of Satipo's peasant defense patrols, the first "Winchester" shotgun for self-defense of the community.

Fujimori announced the forthcoming commencement of construction work on the Satipo-La Oroya Highway by the Army. This highway will link all the towns in this region with potential markets for their products.

The president of the Republic returned to Lima at 1805 on the "Hercules" airplane, which landed on the Air Force Group No. 8 runway. Afterwards, he climbed into an official car bound for Government House.

Osterling Favors Peaceful Solution With Ecuador

PY0710140891 Madrid EFE in Spanish 1659 GMT 6 Oct 91

[Text] Tumbes, 6 Oct (ANDINA)—On his arrival in this city, Senate President Felipe Osterling stated today that every diplomatic effort must be made to avoid an armed confrontation between our two countries [Ecuador and Peru], which should devote their resources to meeting the needs of their peoples.

Osterling said that the Peruvian Foreign Ministry is currently facing the challenge of efficiently obtaining, through diplomatic means, the withdrawal of the "Lieutenant Ortiz" post from Peruvian territory.

After expressing confidence that the diplomatic impasse provoked by Ecuador will be peacefully overcome, Osterling said that Peru could soon have to act through the only path left and force the withdrawal of the Ecuadoran post from Peruvian territory.

He reiterated that an armed confrontation would not benefit either country and that, on the contrary, it would mean that the border residents—who are generally very poor—would have to endure the consequences of such a confrontation.

Osterling added that the great effort that is being made to promote Andean integration should not be jeopardized. He said: "An armed confrontation would be detrimental to efforts to promote Andean integration."

He charged that some Ecuadoran political forces exacerbate the mood against Peru every time an election is approaching and use it as an "electoral banner." They also use it when they are experiencing serious internal problems.

The Senate president endorsed the demand for the placement of border markers along the remaining 78-km stretch to end once and for all the problem started by Ecuador. He said that Article 5 of the Rio de Janeiro Protocol provides that the guarantor countries will not fulfill their mission until the final demarcation is completed.

Osterling came to Tumbes to attend a flag-raising patriotic reaffirmation ceremony organized by local officials.

Additional Reportage

PY0710151491 Madrid EFE in Spanish 2002 GMT 6 Oct 91

[Text] Tumbes, 6 Oct (ANDINA)—Senate President Felipe Osterling Parodi said that Peru has no territorial ambition nor will it allow Ecuador to reduce its territory by even one inch. He added that the Senate will approve any project aimed at supplying electricity and water to the border region, as well as any project to develop agriculture in the region.

He said: "We will support the development of the border region because the Peruvians who live there are defending our national interests and have great love for the fatherland."

Osterling arrived at the "Pedro Canga" Airport in Tumbes at 1045 this morning and was welcomed by Mayor Gino Moretti Otoya.

During a ceremony at the main square at 1200, Osterling raised the national flag, confirmed his patriotism and rejected the invasion of Peruvian territory by Ecuadoran troops. He rejected any attempt by Ecuador to disregard the Rio de Janeiro Protocol which, in 1942, ended all border disputes.

After delivering a speech to the solemn meeting of the municipal council, Osterling pointed out that the Senate will support any request for potable water installations, sewerage systems, electricity, or any other service to the border villages or to farmers.

"We support border settlers," he said, adding that Peru will not allow Ecuadoreans to invade Peruvian territory because heroes such as Miguel Grau Seminario, Francisco Bolognesi, Jorge Abelardo Quinonez, and Alfonso Ugarte have given their lives to defend the territory.

Fujimori Visits Tumbes, Inspects Garrisons

PY0710124691 Madrid EFE in Spanish 0138 GMT 7 Oct 91

[Text] Tumbes, 6 Oct (ANDINA)—President Alberto Fujimori arrived here last night. Today he carefully inspected all military garrisons in the northern part of our country.

Fujimori arrived at 1945. He was accorded military honors and was welcomed by General Jorge Guimac Bonifaz, commander of the 1st Infantry Division.

Measures have been adopted to treat the president's movements as part of a strictly private visit.

After spending the night at Zorritos, Fujimori boarded this morning a Peruvian Navy patrol boat that took him to the border area, where he conducted a careful inspection.

Fujimori met with senior officers of the region at the El Salto Naval Base, which is manned by Navy personnel.

Later, escorted by Tumbes officials, Fujimori attended a flag-raising ceremony at the local main square.

This was the only public ceremony attended by Fujimori here and Tumbes residents used the occasion to convey their support for him and for the defense of our national sovereignty.

President Fujimori then toured the facilities of the "Electronorte" power plant, which is operating at only 50 percent of its potential. Fujimori instructed the management to have this plant generate more power.

Poll Indicates Fujimori's Popularity Rising

PY0610002291 Lima EXPRESO in Spanish 25 Sep 91 p A5

[Text] According to the Imasen Company, President Alberto Fujimori's administration has obtained a favorable rating for the first time in a year. In October 1990, 44.4 percent of the population approved of his performance and 36.8 percent disapproved of it. Thus, the rating was favorable to Fujimori by 7.6 percent. Since then the president's popularity has been declining to its lowest point in July 1991 when 24.4 percent of the people approved his performance while 63.6 percent disapproved. The president's popularity improved somewhat in August this year to 39 percent for and 52 percent against (a negative rating of 13 percent). In September, 46.5 percent of the people approved his performance and 37.4 percent disapproved it. The balance is favorable to the president by 9.1 percent.

Shining Path Kills Chief of Peasant Patrols

PA0510124691 Madrid EFE in Spanish 0342 GMT 5 Oct 91

[Text] Ayacucho (Peru), 4 Oct (EFE)—A group of Maoist Shining Path guerrillas killed today the chief of the

civilian militias, known as the "peasant defense patrols," in the district of Quinua, the police in this Andean city have reported.

Patricio Garcia, the chief of the "peasant defense patrols" in Quinua, was killed by assailants who also wounded five other members of the civilian militias who are opposed to the armed subversives.

The Shining Path group entered the town at dawn, and after wiping out those who resisted, the guerrillas burned at least 20 homes and slaughtered cattle.

Approximately 20,000 persons have been killed in the political violence in Peru since the "Shining Path" took up arms in May 1980, according to a special parliamentary commission.

Economic Team Analyzes 'Debt Carousel'

PY0510211891 Lima LA REPUBLICA in Spanish 29 Sep 91 pp 12-14

[Analysis by a group of economists, headed by United Left Senator Gustavo Mohme, on the Peruvian reintegration into the international financial community]

[Excerpts] The center of government economic policies has been the country's reintegraton into the international financial system in order to obtain new loans and foreign investments.

Peru was declared "ineligible" by the IMF and in a "nonaccumulation" situation by the World Bank as a consequence of the suspension of payments to various creditors between 1984 and 1990. The practical meaning of these classifications is that these organizations suspended all new loans to Peru until delinquent bills were paid.

About 50 percent of the entire Peruvian debt of $16.3 billion (unpaid portion) was contracted with governments; 30 percent with private banks; 15 percent with multilateral loan organizations; and 5 percent with suppliers. [passage omitted]

Conclusions

Until the present, Peru's achievement is its reintegration in the debt carousel. Peru's debts are being refinanced into the future; Peru is being loaned money to pay its debt through a mechanism of credits for the Peruvian balance of payment; and finally, Peru is being loaned money to pay its overdue debts. The only new fact is that all these mechanisms come under new forms.

The admission to this unending carousel certainly makes Peru eligible for credit, but only as long as it continues paying its debt service and while it meets the macroeconomic goals it has promised to meet.

In order to evaluate the meaning of this success we must take into account our real possibilities for obtaining credit for development in the short term. The industrialized countries will hardly make more contributions, apart from what they have given to the Support Group. The IMF does not grant loans for development; it only grants them for balance-of-payment purposes. Negotiations with the World Bank still are pending. Maybe not until 1993 will we be able to obtain a loan to pay the overdue debts, and possibly in 1994 we may be granted new credits. The only open channel is the IDB [Inter-American Development Bank], which already has lent Peru $425 million, which represents nearly 25 percent of all the loans it approved in 1991. There is a possibility that Peru may receive additional credits from the IDB in 1992, but this is yet not certain.

It must be clearly pointed out that the results of the reintegration must be measured in terms of hard currency inflow into Peru, and the truth is that from this point of view, the flow will be negative until 1992. Everything indicates that as of 1993, the expenses to service the debt will be greater than in 1991 and 1992; and by 1993, Peru will not have the assistance of the Support Group nor new loans from the World Bank or the IMF. The debt rescheduled for the next six years with the Paris Club will not be refinanced. This perspective becomes worse if we consider that negotiations with the commercial banks and the socialist countries—that, given their current situation, must be very interested in collecting their money—still must be carried out.

Without doubt, the reintegration of Peru has attained meaningful concessions in some of the so-called golden rules of the system. Clear evidence of this is the negotiation of the debt that fell due after relations with the Paris Club were severed and the possibility to negotiate with the World Bank some terms similar to the accumulation of rights.

However, one should ask oneself whether the multilateral banks or the creditor countries had any other alternative. If they had not granted these concessions, the IMF model for Peru would have collapsed and the reintegration of Peru in the international financial system would not have been feasible.

An aspect that must be considered is that the whole plan that was agreed upon is based on compliance with specific commitments of the Peruvian macroeconomic policy, which still are not known in detail. That is, it is based on the success of the current economic program, something that most economists consider improbable because it has evident limitations that are becoming increasingly more obvious.

The government plan seems to consider 1992 a decisive year in the neoliberal restructuring of the Peruvian economy since a large portion of the IDB resources are meant to deepen this model. According to government expectations, this will allow Peru take a great step forward that will allow it to pay its debts as of 1993 or to attain, based on the consolidation of the economic

process, new negotiating conditions to reduce the payments due in 1993. The internal Peruvian economic trends do not seem to point in that direction, on the contrary, the domestic economic situation is becoming more complicated daily, placing at stake the government policy and the financial reintegration itself.

The reintegration problem, which costs and still will cost so much sacrifice, will end by increasing Peruvian foreign debt. That is, at the end of all the turns of the carousel, Peru will owe more than what it owes today. The debt will continue being a sword of Damocles over our economy.

In order to summarize the Peruvian economic situation, some information is missing, for example:

The composition of the $1.1 billion raised by the Support Group. (Fresh money, support in goods, support in services).

The terms of the loans granted by the Support Group.

The terms of future negotiations with the World Bank, private banks, and socialist countries

Information to analyze the characteristics of the short, medium-, and long-term private debt, a large part of which is overdue.

* Leaders of Lower House Committees Selected

92SM0008B Lima SI in Spanish 2-8 Sep 91 pp 22-23

[Text] As of today, 17 committees have been elected in the Chamber of Deputies, some of which have taken office and already begun working.

A first glance at the table of the 17 committees would reveal the rise of Popular Action [AP] in the new political situation being created in the country. It would be reflected on the Chamber's inner ceiling, in the fact that Belaunde's party has proved to be the one most voted for. It holds the chairmanship of five committees, including one of the most coveted: the Budget Bicameral Committee, in the hands of Eduardo Calmell del Solar.

Change 90 [C90] has the chairmanship of three important committees, and its access to them might disclose the fact that the APRA [American Popular Revolutionary Alliance] pact with a sector of Change 90 would operate timidly on the committee level. This is because the Apristas have endorsed their votes for Hernan Lazo, Victor Paredes, and Oswaldo Garcia for the chairmanships of the Economy, Foreign Relations, and Defense Committees, respectively.

APRA has the chairmanship of three committees, two of which are are a couple of hot potatoes for the coming conflicts: the Regionalization Committee, for which Cesar Zumaeta's good performance qualified him to be reelected, and the Labor Committee, chaired by Humberto Arenas, who will have to contend with the Strike Law. The third committee headed by Apristas is not controversial, but rather might seem like a refreshing oasis for the political desert being traversed by the PAP [Aprista Party of Peru]: the Ecology Committee.

The Popular Christian Party [PPC] has the chairmanship of two moderately important committees: the Justice Committee, for Horacio Canepa, and the Constitution Committee, for Lourdes Flores Nano. The independents [I] also head two committees: United Left [IU] leads one, and Socialist Left [IS], another.

This is the complete table.

Chairmen of Deputies Committees:

- Economy: Hernan Lazo Hilario (C90)
- Defense: Oswaldo Garcia Monteblanco (C90)
- Health: Julio Castro Gomez (IU)
- Housing: Constantino Colona Valdez (AP)
- Bicameral: Eduardo Calmell del Solar (AP)
- Foreign Relations: Victor Paredes Guerra (C90)
- Education: Petronila Rabanal Segura (IS)
- Regionalization: Cesar Zumaeta Flores (PAP)
- Industry: Raul Diez Canseco (AP)
- Transportation: Miguel Alva Orlandini (AP)
- Justice: Horacio Canepa (PPC)
- Labor: Humberto Arenas (PAP)
- Constitution: Lourdes Flores (PPC)
- Ecology: Augusto Aldave (PAP)
- Amazon Integration: Jorge Donayre (I)
- Energy and Mines: Fernando Florez Araoz (I)

* Developments in Regionalization Process Viewed

92SM0008D Lima EL PERUANO in Spanish 2 Sep 91 p 2/A

[Editorial by Franco Nieves: "Regions Vs. Provinces"]

[Text] The president's announcement to the effect that the 1991 draft budget allocates 50 percent of the Regional Compensation Fund to the provinces may be interpreted as the beginning of the amendment of the country's regionalization process that, from its inception, has carried with it flaws of the traditional policy. Virtually considered paralegislative authorities, the regional assemblies (with a few admirable exceptions) have done nothing but retrogress in the intention to achieve development for the country's people instead of being its driving forces for development.

Perpetuators of a parasitic mindset, inherited from a Liman bureaucratic centralism, we are witnessing the distortion of the essential purpose of Peru's regionalization: to make optimal use of the economic resources for the benefit of the provinces. Hence, we find that, instead of executing construction projects and repairs, or promoting a regional economy, the bulk of the regions' economic resources is appropriated to pay for bureaucracies, pay for political favors, and pay relatives. All of the latter are entrenched around a small local government, now divorced from its relationship with the people.

From this standpoint, the president's proposal is not intended to open a new front of criticism, but rather to establish a difference in the style of governing. Since his rise to power, President Alberto Fujimori has directly criticized those heading the regional assemblies who have misinterpreted their role as regulators of regional development.

Although the president's proposal has generated harsh criticism from the sectors affected, it has merely retrieved a popular sentiment. The country's provincial mayors have expressed their pleasure at the corrective position. The traditional assembly members, in turn, have cried out to heaven, claiming that there is meddling in their internal affairs.

But can we trust in regional representatives who have quite obviously forgotten their essential role and are taking advantage of their positions for their own benefit? We must not forget that, unlike the popular, universal, secret vote that elected the provincial mayors, the vote given to a regional assembly member was obtained through political negotiations, the traditional "cut" in the distribution of power.

The conflict has unquestionably arisen because the traditional way has embarked on a crisis, confronted with a nontraditional way of governing.

The old and the new are at odds. As a result, the president's statement has made it possible to stir the sluggishness of those who, believing themselves untouchable, have been challenged from the central government. Finally, in this debate, the voice of the Legislative Branch is a key for determining the regions' future development. Either they adhere to the right won by the provinces, or the classic, traditional parties will count on the perpetuation of the old vices. This week will undoubtedly intensify the differences, or will find a solution: in this case, the mutually shared sentiment in the country's provinces, demanding a change of course in the regionalization process.

* Poll Gauges Consumer Attitudes on Recession

92SM0008A Lima CARETAS in Spanish
16 Sep 91 pp 26-27

[Text] A cautious optimism reflected in an increasingly positive attitude toward both the personal and national economic future was discovered in the latest Consumer Attitudes Index (resulting from a poll taken among 550 consumers during the entire month of August by Carlos Michelsen Consultants). The sampling, the 18th taken since 1980 in collaboration with the University of Michigan, and published by CARETAS, is intended to learn whether the Peruvian consumer would be pessimistic and reluctant to spend, or optimistic and willing to invest savings and future effort in consumption.

Although there has been a rise in the percentage of those who think that the recession is beginning to loosen its bear-like grip, there are still many who believe that things are the same as they were a year ago. Simultaneously, the percentage of those convinced that we are worse off has declined. In any case, there are beginning to be more who think that we are better off (28 percent) than those with the view that we are still progressing at a snail's pace (25 percent). Last April (the month of the previous poll), the ratio was the opposite (15 percent optimists versus 31 percent pessimists). The turnabout from this standpoint has been sensational (see Table I).

This 13-point improvement over last April gave an impetus to optimism regarding the future. The number of consumers who expect their financial situation to improve over the next 12 months increased from 27 percent in April to 37 percent (Table II). This may possibly be explained by the reduction in expectations of inflation associated with real income. During August the percentage of consumers expecting prices to rise more than their income within a year's time declined from 60 (April) to 47 percent. In any event, the percentage remains high. On the other hand, those who believe that their income will be superior to prices have increased from 14 percent (April) to 19 percent. The cautious ones who think that their situation will be the same have, for their part, increased from 25 to 34 percent.

According to Carlos Michelsen, personal expectations are not yet being transferred to the economy as a whole, as is typical during a preheating period. This is because the perceptions of the economy improved very little, although it is thought that the worst is over. Consumers now expect a gradual reactivation within a 12-month period.

A large majority of consumers, 57 percent, estimated that the current economic conditions would continue next year. On the other hand, there was a decline from 38 to 30 percent in the number of consumers expecting good times. The consensus is cautious: things will improve for the individual consumer and the economy will be somewhat better within a year's time, but there will still be some bad times.

The guarded recovery of confidence was extended to the long term of five years. Although 57 percent still expect a continuation of the same situation as now, those expecting good times increased from only 19 percent in April to 30 percent. Conversely, those expecting worse times declined from 20 to 13 percent.

According to Michelsen, the transfer of consumer confidence to the total economy will depend on consecutive, lasting reductions in inflation, without a corresponding worsening of the recession and unemployment.

Between April and August there has been a significant heightening of purchasing intentions, owing to the stability of the expectations for the cost of money, either green or multicolor. They are based on the claim that this cost need not vary greatly.

The combination of the constant cost of money, a gradual reduction in inflation, and personal optimism

has produced the components of a particularly potent mixture of economic fuel, sufficient to convert the internal urban demand into a leader of the recovery.

In August, for the first time since November 1990 (when the readjustment package of the then president of the Council of Ministers, Hurtado Miller, occurred, seriously impacting the confidence in the program), the intention to purchase durable products for the home, an intention held to a very low 13 percent in February, rose to 23 percent. Intentions to purchase real estate also improved appreciably to 11 percent (nearly triple the 4 percent in April).

Finally, this Christmas may prove better commercially than the previous one, if a major Nino does not strike us, combined with another outbreak of the cholera epidemic.

Table I. Family Economic Situation Compared With That of a Year Ago

Response	1985	1986	1987	1987	1988	1988	1989	1989	1990	1991	1991	1991
	Oct	Apr	Jun	Oct	Apr	Oct	May	Dec	Nov	Feb	Apr	Aug
Better	51	54	41	17	10	8	2	5	36	22	15	28
Same	33	33	44	34	30	25	21	25	32	44	54	47
Worse	15	11	14	47	60	67	77	70	30	34	31	25

Table II. Change Expected in the Family Economic Situation Within a Year

Response	1985	1986	1987	1987	1988	1988	1989	1989	1990	1991	1991	1991
	Oct	Apr	Jun	Oct	Apr	Oct	May	Dec	Nov	Feb	Apr	Aug
Better	70	58	42	20	15	12	14	28	64	28	27	37
Same	26	31	46	37	33	27	33	37	31	44	50	49
Worse	3	9	12	38	49	61	54	35	2	29	23	14

Venezuela

Perez: Aristide To Stay as Long as Necessary

PA0710150591 Madrid EFE in Spanish 1358 GMT 7 Oct 91

[Text] Caracas, 7 Oct (EFE)—A Venezuelan presidential spokesman has disclosed that Jean-Bertrand Aristide, Haiti's deposed constitutional president, will meet with Venezuelan President Carlos Andres Perez on 7 October in Caracas.

Aristide returned at dawn on 7 October to the Venezuelan capital from the United States, where he met with U.S. President George Bush and spoke at an extraordinary OAS meeting.

The presidential spokesman did not say how long Aristide will be in Caracas, but he pointed out that the Venezuelan president has invited him to remain in Venezuela as long as necessary.

OAS Secretary General Joao Clemente Baena Soares, a Brazilian, has called another meeting of OAS foreign ministers in Washington to examine the situation in Haiti.

The meeting was called by Baena at the request of Bolivian Foreign Minister Carlos Iturralde. It is expected that the meeting will lead to decisions regarding future actions of Aristide, the Venezuelan presidential spokesman said.

Aristide was toppled on 30 September in a violent coup d'etat headed by General Raoul Cedras, Haitian Armed Forces chief.

Over the past weekend, a mission of six OAS foreign ministers visited Port-au-Prince, the Haitian capital, where they met with Cedras to threaten him with the adoption of strong international sanctions if he does not allow President Aristide to return.

AD Official on National Convention, Factions

PA0810043291 Caracas Venezolana de Television Network in Spanish 1550 GMT 4 Oct 91

[Interview with Democratic Action, AD, Secretary General Humberto Celli by Martin Pacheco and Maria Teresa Gutierrez at the United Nations Park in Caracas—live]

[Text] [Pacheco] Good afternoon. We are presenting live coverage of the national convention of the Democratic Action, AD. The convention will be important to the party's future because of the need for its two factions to reconcile. Also important is that 2,123 delegates will vote to appoint the new National Executive Committee, National Political Committee, and National Disciplinary Tribunal. Humberto Celli, the candidate for AD president on two slates, is here with us. Good afternoon, Dr. Celli. Could you tell us about AD's plans for the near future?

[Celli] I thank you for this live report from United Nations Park to tell the country what will happen during

the party's national convention. I believe it is appropriate for television to project the tranquillity and serenity that prevails at the United Nations Park. This feeling contrasts with the deplorable incidents that occurred on 3 October at the party's headquarters, which depressed us because of the damage done. This kind of thing does not usually happen with the AD; I can attest to that because I have been a party member since my youth. There have been disputes and problems in the party, but headquarters and party assets had never been damaged. That is why we expelled the person responsible for these actions, Mr. (Yuris Campos). We will also file a lawsuit against him to establish a precedent for the country. No one can attack a person or destroy someone's possessions without consequences. The situation here differs from what happened during that incident. The people here are enthusiastic and are peacefully awaiting the elections, which are scheduled to start in about an hour, according to my fellow party members. We will know who will comprise the party's new directorate in four or five hours.

[Gutierrez] Dr. Celli, what will happen in the party after the AD's new national leaders are chosen? What will be done to settle the dispute? The party has faced a series of situations that might cause problems in the future. What will it do to solve the problems—particularly you, who will surely be elected the new AD president, since you lead the slates of the renewal and orthodox factions?

[Celli] First, I would like to say that I am very grateful to the comrades in the renewal and orthodox factions for choosing me as their candidate for party president. I believe that this is simply recognition of my efforts as secretary general of the party to solve problems in our neverending electoral process—which, fortunately, ends today. I think that the party's new political directorate has an internal and an external commitment.

The internal commitment is to make sure that reason and party ties prevail once more and to integrate the party's directorate leaders. We cannot afford the luxury of depriving valuable and hard-working people, who earned a great deal of support during the 8 September elections, of a directorate post. We must wait for the results of this convention to see if the two slates and the candidates will be reconciled.

The external commitment is to talk with the president of the Republic about the policies implemented by the executive branch. For example, concerning economic policies we must talk about price reform. We think that tremendous speculation has occurred in the country and that there is absolutely no control of prices. Consequently, it is necessary to put a stop to this situation.

We must also discuss social programs. They must now be led by AD activists, who can improve the effectiveness of the programs and also strengthen the party's ties with the country's lower class. It is also necessary to have a policy specifically aimed at the middle class—young students and young professionals—particularly in the area of housing. Therefore, the cabinet must include AD members, or at least men who are identified with the party's principles, goals, and social plans.

[Pacheco] Can we surmise that once the board of directors is sworn in you will seek both an agreement between the orthodox and renewal factions and a cabinet change?

[Celli] Both are quite appropriate. I think it is necessary to seek a reconciliation within the party. Reason and party solidarity must prevail once more. Changes must also be made in the national government to make its actions more dynamic and to appoint more AD people to government posts.

[Gutierrez] Dr. Celli, when will the new National Executive Council be sworn in and when will its sessions begin? Also, it has been said that the AD has wasted too much time in this internal process. What will you specifically try to do?

[Celli] The first thing .... [pauses] We listen closely to what the opposition says, and we will heed what [Social Christian Party, COPEI, Secretary General Eduardo] Fernandez said—that the AD needed to take a vacation. [laughs] We will take a few days' vacation.

Regarding the other issue, the party needs to work on its solidarity. Look, the example that the AD set in this electoral process, in which more than 618,000 activists voted, reveals the work of a very powerful machine. With a little effort and some understanding, this work will guarantee victory for the party in the gubernatorial, municipal, and presidential elections. We must achieve at least a minimum of understanding among ourselves.

The AD's elections drew 618,000 voters while COPEI's latest elections, in which Eduardo Fernandez won, did not even reach the 100,000-voter mark. The MAS [Movement Toward Socialism] elections did not even reach the 30,000-voter mark. That is why I laughed when Eduardo Fernandez and Alfredo Munoz said the fact that 600,000 activists voted was a symptom of AD's disintegration.

However, we must change the internal voting system because it disrupts rather than helps the process. We need a new census of activists; our calculations on how many are not voting is incorrect because the last census was made almost 20 years ago. I have to carry out those tasks, but the most urgent one is to achieve party solidarity once more.

[Pacheco] Dr. Celli, would you have to seek a political settlement to modify the system, since the national and gubernatorial elections are coming up?

[Celli] No. The most important thing.... [pauses] I will tell you something that I was going to reveal in my speech.

[Pacheco] All right.

[Celli] I think that the party must prepare for alliances with other organizations and individuals in the gubernatorial and municipal elections. The party has to start talks with other political organizations and independent candidates at the Executive Commission and district levels to find ways to win in the gubernatorial and municipal elections.

[Gutierrez] Can we surmise that you do not have much confidence or that the statement you made several years ago—that it is necessary to form alliances—is still applicable? Do you think that your party will endorse this view?

[Celli] I am almost sure that my organization will approve it. It will be difficult to appoint the gubernatorial and municipal candidates based only on the vote of our party rank and file. We have learned that this only weakens the party and loses elections. However, the rank and file will certainly appoint the presidential candidate for the 1993 elections.

[Pacheco] Is this type of agreement possible only with MAS and COPEI or can it be achieved with all parties?

[Celli] We are open to all possibilities, and we must immediately start a policy for talks. In fact, I shall ask Comrade Reinaldo Leandro Mora, who will leave the party presidency, to preside over the high-level commission that will participate in talks with other organizations.

[Gutierrez] We thank Dr. Humberto Celli for participating in this broadcast from the United Nations Park.

* Central Bank President on Inflation, PDVSA

91SM0507A Caracas EL UNIVERSAL in Spanish Section 2 4 Sep 91 p 1

[Article by Alan Lugo G.: "Pace of Investment by PDVSA [Venezuelan Petroleum, Inc.] Must Be Moderated"]

[Text] The measures taken by the Central Bank of Venezuela [BCV] with respect to bank deposits are directly increasing the cost of the financial operations of the banking industry and reducing its profits, but this is part of the sacrifice entailed by the program of adjustments and is part of the financial sector's contribution to the fight against inflation.

The president of the Central Bank of Venezuela, Dr. Pedro R. Tinoco Jr., made the above comment yesterday during an interview he gave in his office to a member of our editorial staff.

Commenting on the observations made by leaders of the banking sector concerning the measures taken to increase legal deposits, Dr. Tinoco pointed out that these measures would be part of the strategy of any modern monetary policy.

This action, he said, was complemented by the decisions that the national government has taken to maintain fiscal discipline. The fact that the monetary measures and fiscal measures are being taken simultaneously and in conjunction, he explained, has enhanced the prospects for containing inflation and thereby achieving fully the goals of the fight against inflation, one of which is to increase our competitiveness in the domestic market.

Dr. Tinoco does not doubt the effectiveness of the measures adopted in the fight against inflation. This combination of measures, he said, has made it possible to reduce the rate at which prices increase, as was the case in the month of August. Dr. Tinoco believes that if we maintain discipline and persist in the fight against inflation, the inflation rate could be around 25 percent by the end of the year.

Dr. Tinoco acknowledges that these measures are not popular among bankers, because they directly increase the bankers' cost of doing business and reduces their profits. Nevertheless, he said, this is the sacrifice that we must accept as part of the financial sector's contribution in the fight against inflation.

He explained that the measures relating to deposits are by their very nature temporary and therefore must gradually be adapted to the requirements of the real economy. We are in a period of economic growth during which a larger volume of credit is required, he said, and bank deposits will gradually adjust to this situation.

That is to say, in proportion, as bank credit is reactivated by increased economic activity, these deposits will gradually be drawn down to enable a greater proportion of the resources they represent to go to finance this growth.

"We are following the movement of prices very closely," Dr. Tinoco said, "and the results for the month of August show us that we have again succeeded in strengthening our relative control of inflation.

"If we continue this simultaneous implementation of our monetary and fiscal measures," he added, "I believe we shall be able to end the year with inflation at around 25 percent and begin 1992 with a trend toward a decrease in the rate."

In response to a question we asked him concerning the relatively little success of efforts to make interest rates flexible and thereby stimulate competition, Dr. Tinoco expressed the view that our banking system is competitive. The best proof of this, he said, is the diversity of financial products and services offered by the different banks to borrowers as well as to savers and depositors.

He explained that two important steps must be taken in order to make our financial system more competitive, and that we are trying to take these steps as part of the reform process now under way.

One of these steps, he said, is to liberalize banking activity through the elimination of excessively rigid

regulations and definitions of operations and instruments under existing laws. In order for competition to function, he explained, it is essential to leave ample margin for innovation and creativity on the part of our financial managers.

Tinoco believes that excessive rigidity limits the flexibility of the market and restricts the supply of an appropriate variety of financial products.

The other step that will be taken under this plan to stimulate competition, he said, is to give foreign banks an opportunity to operate in our domestic market.

He explained that this will be done gradually over a period of five years, but only after the participants have been subjected to a process of rigorous selection, in order to ensure that only the best banks are admitted. Plans accordingly call for licensing these foreign banks so as to keep out undesirable money and undesirable banks, he added.

Interest Rates Should Come Down

Dr. Pedro Tinoco also emphasized that a successful campaign to control inflation will tend to encourage a policy of lower interest rates.

Interest rates, he said, should come down in proportion as inflation is reduced. The policy that has been established in this respect, he explained, is to maintain real interest rates at a positive level in order to expand domestic savings and keep those savings in our country.

"Under this policy, therefore, interest rates should go down in response to a similar trend in the rate of inflation," he added.

As for the fluctuations in the exchange rate, Dr. Tinoco pointed out that it has now stabilized within a normal range.

"We do not propose to maintain a fixed exchange rate," he said, "but rather a floating rate that will reflect the situation in the market and in the real economy. We therefore say that the important thing is to maintain the stability of the real exchange rate rather than that of the nominal exchange rate. This is necessary in order to keep our economy competitive, to be able to increase our exports, and to protect ourselves from excessive imports."

"Dr. Tinoco," we asked, "a lot of people are making predictions concerning the future behavior of the exchange rate, including making bets concerning the levels (considerably higher than at present) it will reach in late December."

"If I were not president of the Central Bank," he said in a jocular tone, "I would take many of those bets. There is no reason to believe that the exchange rate will increase substantially during the rest of this year. We have a situation that is steadily improving. Our international reserves continue to provide an ample cushion and have continued to grow even though petroleum prices are no longer increasing as a result of the Middle East conflict."

Tinoco maintains that what happened to prices because of the Middle East conflict was circumstantial and did not correspond to the government's plans.

"The petroleum market," he said, "has now returned to normal and is producing revenues similar to those we had anticipated. We are now approaching the last quarter of the year—a period during which for seasonal reasons our revenues will increase somewhat—and we hope to end the year in a solid position with respect to our reserves."

He said that Venezuela's international reserves as of today total approximately $12.3 billion but anticipates that this balance will continue to improve during the remainder of this year.

Pace of Investment by PDVSA Must Be Moderated

The other part of the conversation with Dr. Tinoco dealt with the investments made by the petroleum industry—a topic that has been the subject of controversy.

We told Dr. Tinoco that some persons have recommended a readjustment of the investment plans of the petroleum industry, in view of the fact that with the end of the Middle East conflict the prospects for increasing our participation in the petroleum market correspond neither to the level of these investments nor to the level of sacrifice that they impose on the economy because of the increase in domestic demand.

In response, Tinoco stated that he has always advocated the application of the virtue of prudence because that is his personal inclination and because of the office he holds.

"I believe," he said, "that PDVSA has an investment program that is well conceived and appropriate for the nation's development. At the Central Bank of Venezuela we do believe that the pace of implementation of the program should be moderated to conform to the nation's capacity to receive—without disturbing its equilibrium—the monetary flow that this represents."

In this respect, he said, a significant adjustment has already been made in the volume of investments scheduled for this year.

* Energy Minister Calls For Higher Oil Prices

91SM0507B Caracas EL DIARIO DE CARACAS in Spanish 13 Sep 91 p 20

[Article by D.G.: "Armas Says Measures Must Be Taken To Increase Prices"]

[Text] Minister of Energy and Mines Celestino Armas is confident that the meeting of marketing experts in advance of the meeting of the ministers will clear the way

for the decisions that the member countries of OPEC must take next 24 September in Geneva.

In the opinion of Celestino Armas, minister of energy and mines and president of OPEC, it is necessary to take "measures to strengthen price levels pursuant to the decisions that we have ratified in OPEC to establish the minimum reference price at $21 a barrel."

Armas told EL DIARIO DE CARACAS that in his capacity as president of the cartel he is convening a meeting (to be held prior to the meeting of the ministers) of marketing experts to enable the latter to analyze—from the technical standpoint—the various scenarios being postulated worldwide with regard to demand in the fourth quarter of this year and the first quarter of 1992.

In his view there are already a number of aspects to be considered, one of which is the estimates of future demand. In this connection he said that "the OPEC secretariat recently estimated demand for the cartel's oil at 23.5 million barrels per day for the fourth quarter of 1991, while other hypotheses speak of 24 million and as many as 25 million barrels for the first quarter of 1992."

Regarding the worldwide fear that the addition of the production of Iraq and Kuwait will generate low prices, he said that "a decision must be taken to hold prices at the level of $21 a barrel stipulated by the organization."

"The reality," he said, "is that even with the effort we have made in OPEC, prices have remained below the target level, and this is causing problems for all the countries with respect to the levels of revenue that had been estimated in their national budgets."

Armas insisted that there is no cause to fear the return of Iraqi and Kuwaiti production to the international market. "I am assuming," he declared, "that the new levels of demand provide enough margin for progressively larger exports both by Iraq and by Kuwait to be incorporated into the supply without any negative impact on prices. In any event," he added, "I have recommended that the meeting of experts be held prior to the ministers' meeting," which will be held beginning September 24. The experts will meet on 22 and 23 September, with the aim of clearing the way for the decisions that will be taken by the ministers of the OPEC member countries.

He said it was now time to take advantage of the increased demand—and of the narrow gap between supply and demand—to take successful action and enable prices to recover. "I believe it is time to do this," he said. "I believe that prices have begun to recover, although not as quickly as hoped, but the trend toward depressed prices is already being reversed and a modest but uniform upward movement in prices has been observed."

Before he arrives in Geneva, Armas hopes to take part in the Second Annual Meeting of the Center for Energy Studies—chaired by Zaki Yamani—which will analyze the new era of international cooperation in petroleum-related affairs.

* MAS Proposes Military Service Reforms

92P40006A Caracas EL NACIONAL in Spanish
17 Sep 91 p D-11

[Text] The Youth Office of MAS [Movement Toward Socialism] will present to the Bicameral Commission, which analyzes constitutional amendments, a proposal to modify Article 53 of the Constitution, which refers to obligatory military service.

They contend that the changes occurring in the world, which are remarkable and oriented toward strengthening democracy, should be consistent with our political system. They hope that Venezuelan democracy will be perfected and will incorporate laws that guarantee a greater and better operation of the political system.

They emphasize that the very fact that military service is obligatory violates the freedom of the citizen to choose the way in which he wishes to serve the nation.

The proposal states the following: "The present military draft system allows the police forces to violate human rights and submit young people to mistreatment, abuse, and discrimination during the recruitment process, which is so dreaded and obsolete."

They also stressed that the MAS Office for the Defense of Human Rights, directed by Enrique Ochoa Antich, currently is investigating three cases of strange deaths that have occurred in Venezuelan barracks.

The proposal also states: "It is known that constant violations of human rights and personal dignity take place in our country's barracks. We believe that obligating a young person to serve in the military is not appropriate when the Venezuelan soldier is not allowed to feel at ease in the military institution. This situation of repression generates discontent among many young soldiers who view military service as torture and not, as it should be, as a voluntary and honorable service."

The proposal aims to modify Article 53 by adding a new article to the National Constitution. Its text would be the following: "Obligatory national service will be military or social. The law will establish the military obligations of Venezuelans, guaranteeing conscientious objection as well as other reasons for exemption from military service. In these cases, it will be possible to impose a substitute service."

With this proposal they explained that they would introduce two brand new elements—that military service would not be obligatory and that the conscientious objector would be recognized. This would allow any citizen eligible for recruitment to perform obligatory national service in one of the nation's social areas, if he chooses to do so for reasons of conscience or due to deep convictions from religious, ethical, moral, humanitarian, philosophical, political, or other similar considerations.